

CABINET DECIDES TO BEGIN SECOND STAGE IDF WITHDRAWAL FROM SOUTH LEBANON

By David Landau and Hugh Orgel

JERUSALEM, March 3 (JTA) -- The Cabinet decided today to begin immediately the second stage of the Israel Defense Force's withdrawal from south Lebanon as harassment of Israeli units escalated over the weekend. Four IDF soldiers were wounded Friday by roadside bombs.

The Cabinet's decision was taken on the recommendation of Defense Minister Yitzhak Rabin and the Army General Staff, strongly backed by Premier Shimon Peres. There was no opposition, but two former Likud Defense Ministers, Ariel Sharon and Moshe Arens, did not vote, according to an Israel Radio report. Sharon is Minister of Commerce and Industry and Arens a Minister-Without-Portfolio.

According to the Israel Radio report, the Cabinet set no time framework for completion of the second stage which will remove the IDF from the eastern sector of south Lebanon. The report cited defense establishment sources to the effect that it would be completed within three months. The first stage of the withdrawal in which the IDF pulled out of the Awali River area and Sidon, was completed on February 16, two days ahead of schedule.

Sharon Wants 30-KM Security Zone

The Israel Radio report said Sharon participated in the discussion which preceded the Cabinet decision, claiming that the withdrawal plan made no provisions to prevent the return of Palestine Liberation Organization terrorists to the Ein Hilwe refugee camp outside Sidon.

Sharon reportedly urged that the IDF establish a 30-kilometer deep security zone north of the Israeli border when the second stage of the withdrawal is completed. According to observers Sharon's proposal could breach the Cabinet's unity when the time comes to implement the third and final stage of withdrawal of the IDF to the international border.

Situation In South Lebanon

Meanwhile, the situation in south Lebanon deteriorated. After a week without IDF casualties -- attributed to the new "iron fist" policy of dealing harshly with terrorists and Shiite Moslem guerrillas -- an Israeli soldier was slightly wounded Friday when a bomb exploded as his patrol moved along a road outside the Burj A-Shamali refugee camp east of Tyre.

Three other soldiers were wounded Friday when two explosive charges detonated near Abbasiye village northeast of Tyre. There were two other attacks on the IDF Friday and two more today, none of which caused casualties. In the earlier attacks, a Katyusha rocket was fired at an IDF outpost on the Kasmiye bridge over the Litani River and two rocket-propelled grenades were fired at another outpost near Bidyas village.

A rocket-propelled grenade (RPG) was fired at an IDF position near Bidyas again today and RPG and automatic fire was aimed at a patrol near Joya village.

The IDF raided Marrake village yesterday, a Shiite guerrilla base east of Tyre, and reported the largest haul of weapons and ammunition since the systematic searches of Shiite villages began last month. One villager was killed, reportedly trying to escape and 17 other guerrilla suspects were seized for questioning. At least three houses in the village were destroyed.

IDF sources said the arms seized in Marrake included rocket-propelled grenades, mines, mortars and machineguns. According to Lebanese and foreign press reports, at least 800 IDF soldiers took part in the search and round-up of villagers. The force was said to consist of three tanks, 50 armored personnel carriers and 30 other vehicles.

On hand to witness the operation was Maj. Gen. Ori Orr, commander of the northern front. Orr reportedly met with the commander of the French contingent of the United Nations Interim Force in Lebanon (UNIFIL) stationed near Marrake.

Shiite Leader Warns Israel

In Beirut, meanwhile, Nabih Berri, the Shiite leader who is a member of the Lebanese government, warned Israel yesterday that towns in Galilee would come under attack in reprisal for IDF forays against Shiite villages in south Lebanon.

Berri was quoted as telling a press conference in Beirut, "From now on, every time a village is attacked in south Lebanon, a village will be attacked in Galilee." Israeli observers dismissed the threat as largely rhetoric but acknowledged that it indicated a radicalization of the Shiite moderates whom Berri represents.

According to this view, Berri's tough talk is a bid to gain credibility in face of a challenge by Shiite extremists influenced by the Ayatollah Ruhollah Khomeini of Iran. Shiite fundamentalists, who call themselves "Hizbollah" (Party of God), have been responsible for the most serious attacks on the IDF and observers say that Berri's warning could indeed spur them to try to attack Galilee villages to prove they act while Berri only talks.

Will Crush The 'Khomeinist Phenomenon'

Gen. Orr warned residents of the Israeli border town of Kiryat Shmona over the weekend that the IDF must prepare for a deterioration of the situation on the northern border in the near future.

"It's important to tell the public the truth so it won't be surprised," he said, "but it is also important to remember that everyone predicted massacres in Sidon after the IDF left, yet up to now it has been quiet there."

Former Defense Minister Arens reacted to Berri's threats in a speech to a visiting group of the Moral Majority, headed by the Rev. Jerry Falwell. He told the rightwing American Christian fundamentalists that Israel would not surrender to Shiite terror and if necessary would crush this "Khomeinist phenomenon approaching our borders."

Several hundred members and supporters of the Peace Now Movement demonstrated yesterday at Kibbutz Ga'ash on the Tel Aviv-Netanya highway to demand the immediate, complete withdrawal of the IDF from south Lebanon. The occasion was the one-thousandth day since the IDF invaded Lebanon in June 1982.

One of the demonstrators, Eliezer Granot, secretary general of Mapam, told the rally, "These were 1,000 days we could have lived without. They will be remembered with shame, sorrow and grief."

BACKGROUND REPORT WAITING FOR MUBARAK By David Friedman

WASHINGTON, March 3 (JTA) -- Egyptian President Hosni Mubarak's visit to President Reagan next week is increasingly being seen here as central to whether the Reagan Administration views the current Jordanian-Palestine Liberation Organization talks as possibly leading to direct negotiations with Israel or another highly publicized development that fizzles out.

This was true even before the Administration cautiously spoke last week about a willingness to "re-engage in the peace process" in the wake of Israeli Premier Shimon Peres' endorsement of Mubarak's proposals for direct talks between Israel and a Jordanian-Palestinian delegation. But the U.S. still wants an explicit agreement for the parties most directly involved, Jordan and the PLO, for direct negotiations with Israel as well as acceptance "without equivocation" of United Nations Security Council Resolutions 242 and 338.

The importance of the Mubarak visit was stressed by one Middle East expert here, William Quandt, a senior Fellow at the Brookings Institution and former director of the National Security Council's Middle East Bureau in the Carter Administration who recently returned from a visit to Egypt, Jordan, Syria and Israel.

"The Americans who are serious about the Middle East see that (the Mubarak visit) as the crucial visit in this period," Quandt told foreign correspondents here last week. He added that it was "more important" than the visit last month of King Fahd of Saudi Arabia, adding, however, that Fahd's visit did serve to increase public attention toward the Mideast.

Egyptians Are More Realistic

"The Egyptians are more realistic about Israeli politics than anyone else in the Arab world" and they "have a pretty good understanding of the American position," Quandt said.

This could be seen in Mubarak's proposals following the announcement of the agreement between King Hussein and PLO chief Yasir Arafat. The accord expresses support for United Nations resolutions, instead of a specific acceptance of Resolutions 242 and 338 which the Reagan Administration requires as the basis for negotiations.

The Hussein-Arafat agreement also calls for an international conference which would include the five permanent members of the Security Council as well as the PLO. Both Israel and the U.S. want direct talks between the parties involved, not an international conference, and Israel flatly refuses to sit down at any table which includes the PLO.

Mubarak has urged the U.S. to invite Israel and members of a joint Jordanian-Palestinian delegation for talks leading to negotiations, adding he was willing to host such talks in Cairo. He stressed the importance of direct negotiations and said the Palestinian delegates do not have to be known members of the PLO. He added that an international conference could be held to give its "blessing" once an agreement was reached.

Quandt conceded that a motive behind Mubarak's latest actions could be Egypt's desire to receive more

U.S. aid. Mubarak has asked for \$1 billion more in the 1986 fiscal year than Egypt is receiving this year, but the Reagan Administration has only recommended that Congress increase it by about \$169 million. Mubarak also seeks to have the U.S. lower the interest rate on its military debt. Egypt reportedly is behind \$250 million to \$300 million in interest payments.

Mubarak is expected to come under strong questioning from members of Congress over the "cold peace" between Egypt and Israel. Some have even threatened not to vote for aid to Egypt if there is no improvement in this area.

Quandt stressed that Egypt's diplomatic moves "have value whatever their motivation." He said the Egyptians believe that if the peace process moves forward it would be "vindicated" of Cairo's policies of the last decade.

The fact that Jordan and the PLO were able to reach an agreement "seems as evidence to me that Egyptian diplomacy was at work and was relatively effective," Quandt said. "I think the Mubarak visit is going to be very important in taking the rather formal statement of the Jordanian-PLO position and translating it into a plan of action."

But Quandt said the Camp David formula of having the Egyptians be one of the negotiators on the West Bank and Gaza "is dead." He said the Egyptians' role is to help others get involved, bringing the U.S. in, and offer their advice and suggestions.

Quandt explained that the Egyptians, and Jordan, Saudi Arabia and some parts of the PLO who support diplomatic efforts are more realistic now and know that the U.S. will not impose a solution on Israel. "I think they realize that time is short and they can't wait for someone to hand them a solution," Quandt stated. He said they must find a "partial Arab consensus" on the approach to a settlement and on the terms of a settlement.

View Of Syria's Role

This view was contrasted by Quandt to that of Syria which opposes negotiations and believes that eventually Israel will be forced out of the territories it occupied in 1967, without an agreement, as the Syrians claim is occurring in south Lebanon. The Syrians, however, will not try to sabotage the current effort but instead will wait to see if it falls by its own weight, according to Quandt.

He noted that the U.S. believes Syria has a role in Lebanon. Israel, too, concedes Syria has interest there. But the U.S. does not see a direct Syrian interest on the West Bank and Gaza, Quandt said.

However, the Syrians have argued that the Palestinians do not have the right to decide their own future by themselves since this is a pan-Arab issue and they in effect want a veto, Quandt said. He added that Egyptian President Anwar Sadat may have gone to Jerusalem because he did not want to give the Syrians a veto over the Sinai.

Meanwhile, Quandt stressed that the PLO-Jordanian dialogue should not have been started unless it was decided to continue the process. He said the Arabs negotiated over the eight points in the Fez accord of 1982 and then left it there.

"If the Egyptians, the Jordanians and the PLO have convinced themselves it's worth talking about a new position, trying out a new formulation, I think it makes absolutely no sense for them to go this far and then say that's all we have to offer," Quandt said.

He said if the Arabs are not serious, "they are making a really big mistake because if it falls apart because of their backtracking at this stage, then I think it will be a very long time before any American regime takes them seriously at all."

ALEXANDER SCHEIBER DEAD AT 71

NEW YORK, March 3 (JTA) -- Funeral services are scheduled for Thursday in Budapest, Hungary, for Rabbi Alexander Scheiber, director of the Rabbinic Seminary in Budapest, who died there today after a lengthy illness, it was reported by Rabbi Arthur Schneier, president of the Appeal of Conscience Foundation. Scheiber was 71 years old.

Scheiber was head of the only rabbinic seminary in Eastern Europe, and was responsible for training not only rabbis in Hungary, but Jews from the Soviet Union and elsewhere in the Eastern bloc.

Born in Budapest in 1913, Scheiber studied at the University of Budapest and was ordained from the Seminary in Budapest in 1938. He was Chief Rabbi of Dunafoldvar, in Hungary from 1940 to 1944. He was a professor at the Seminary after his appointment there in 1945 and became its director in 1950.

Considered a premier Oriental scholar, he conducted extensive research in the Genizah of the Kaufmann collection, and has been widely published. His other areas of specialties include Hungarian Jewish art and history.

The head of the central synagogue in Moscow, Adolf Shayeich, and the Chief Rabbi in Riga, Menachem Nidel, are but two of the many graduates of the Rabbinic Seminary in Budapest. Schneier, who is also spiritual leader of the Park East Synagogue, aided in gaining approval of the governments in Hungary and the Soviet Union to allow Soviet Jews to study under Scheiber.

"The Hungarian Jewish community has lost its greatest intellectual scholar whose research in Judaica extended to the libraries of Leningrad, New York and Cambridge, and who devoted his life to the preservation of Jewish scholarship in Hungary and the continuity of the remnant of Hungarian Jewry," said Schneier.

ECONOMIC POLICIES ATTACKED
By Gil Sedan

JERUSALEM, March 3 (JTA) -- The government's economic policies came under sharp attack over the weekend by both trade union and business leaders and Moshe Mandelbaum, Governor of the Bank of Israel.

The attacks coincided with the visit here of an International Monetary Fund (IMF) delegation for consultations. It was greeted with news that the country's foreign currency reserves have dropped by another \$135 million, lowering them rapidly to the \$2 billion "red line", the danger point below which the economy would be in dire peril.

Bank of Israel experts expressed concern today that the danger point might be reached by the end of this month, seven months before the new American economic aid package reaches Israel.

Pumping Shekels Into The Economy

The government, meanwhile, is continuing to pump record amounts of Shekels into the economy in order to meet its commitments. So far the Cabinet has been unable to agree on further budget cuts and as a result has been forced to reduce its support of subsidized products forcing up their price. It is also raising taxes and allowing the price of subsidized products to rise.

Those were some of the measures assailed by Mandelbaum who heads the nation's central bank. He said at a press conference today that price rises in excess of those agreed to when the second eco-

nomc package deal took effect in January, would revive galloping inflation. Israel Kessar, Secretary General of Histadrut, warned that the trade union federation might take legal action against the government for breaching the eight-month wage-price freeze agreement. He said that according to the deal, prices could be raised by a maximum of only five percent.

Dr. Emanuel Sharon, Director General of the Treasury, promptly telephoned Kessar with a promise to cancel some recent price rises if Histadrut could prove they violated the agreement.

The President of the Union of Chambers of Commerce said at the same press conference addressed by Mandelbaum that the government's tax policy was distorting every facet of economic activity in the country. As a result, he said, it is no surprise that tax evasion has become the accepted social norm. Israel bears the heaviest tax burden in the world, he declared.

Meanwhile, Likud MK Uriel Lin, former Director of State Revenues, called on the government for a five year moratorium on new taxes. He proposed the period be used to institute tax reforms.

Special Report
ISRAEL'S HOOPSTERS GET
HIGH PAY WHILE FANS
TIGHTEN BELTS
By Haskell Cohen

TEL AVIV, March 3 (JTA) -- While government officials haggle over where to make further budget cuts and the general population is asked to bear some hardships as Israel tries to wrestle its economic problems under control, there remains one group of individuals who appear to be doing little belt tightening of their own.

They are Israel's professional basketball players, whose salaries, while remaining below that of the ball players in the United States, nonetheless have soared. This development has left some observers in bewilderment and wonder.

In the National Basketball League, Maccabi Tel Aviv, remaining faithful to pre-season predictions, is leading the field in the standings with Hapoel Tel Aviv in second. Both clubs feature Israel's best basketball players.

According to sources here, Maccabi's operating budget for the year is \$1 million while Hapoel's operating cost is half that sum. The teams' salaries to its basketball stars are reported to be approximately half of their operating budgets.

Maccabi, according to reliable sources, is paying their two most recent acquisitions from the U.S. -- Lee Johnson and Kevin McGee -- a total of \$220,000. Mickey Bercovitz, a Maccabi star player for more than a decade, is reportedly earning a salary of \$80,000 per year, with Maccabi paying two other starters each a minimum of \$50,000 per year.

Hapoel, not to be outdone, pays around \$70-\$80,000 a year each to its two best ball players. Hapoel's salary scale works its way down to \$20,000, which is paid to their last man on the starting five.

Player salaries have risen here drastically in the past few years, to the point where Gary Wolff, the 19-year-old son of lawyer-agent Bob Wolff of Boston, has come here to dicker with Maccabi management for some of the players Wolff represents in the United States and who are just short of making the National Basketball Association.

HOLOCAUST DENIER FOUND GUILTY

By Paul Lungen

(Editor's note: Paul Lungen, a Canadian Jewish News staff writer, covered the eight-week trial of Ernst Zundel.)

TORONTO, March 3 (JTA) -- Nine hours after beginning deliberations, a 12-person jury last week found Ernst Zundel guilty of deliberately publishing lies about the Holocaust. But less than five minutes later, Zundel was claiming a moral victory and promising to appeal the verdict.

Zundel was charged with two counts of wilfully publishing false information likely to cause racial or social intolerance. It was the first trial in Canada of someone denying the Holocaust. Zundel was found guilty of publishing "Did Six Million Really Die?", which claims the Holocaust is a hoax perpetrated by Zionists to extort reparations from West Germany.

He was found not guilty on the second count of publishing a pamphlet, "The West, War and Islam."

In an impromptu press conference held from the prisoners dock in the courtroom where he had been on trial for eight weeks, Zundel told the press that "I have won on both counts. It cost me forty thousand dollars in lost work. But I got one million dollars worth of publicity for my cause," he said.

Evil Had To Be Stopped

A short time later, the woman who first laid the charges, Sabina Citron, told reporters she had no doubt the trial was "absolutely" the only way to deal with Zundel. "The whole point is that an evil was done in the land, and it had to be stopped," she said.

Citron, founder of the Canadian Holocaust Remembrance Association, an organization unaffiliated with mainstream Jewish groups, dismissed suggestions that Zundel benefited from publicity generated by the trial. "What kind of publicity did he get?" she asked "He was shown to be a liar, a Nazi, a racist and a propagandist. The majority of Canadians will reject him and those that follow him will follow him anyway."

As many of the local and international press gathered around him, Zundel coolly pontificated about the results of the trial. "The people who were interested in laying the charge have their pound of flesh," he said. He compared himself to David facing Goliath and termed himself "one more victim of Zion."

He refused to concede that the verdict indicated the jury had accepted the Holocaust as an historical fact, saying it simply meant he was found guilty of violating a section of the criminal law. One day earlier, however, he indicated that should he be acquitted, public perception would lean to the view there was "no Holocaust."

Anguish And Pain In The Jewish Community

The lengthy trial had caused anguish and pain in the Jewish community in Toronto. To obtain a conviction, the prosecuting attorney had to prove "Did Six Million Really Die?" was false, and to do so he had to prove the Holocaust was an historic event.

A succession of survivors took the stand to describe the gruesome events many had long since tried to put out of their mind.

Dennis Urstein, 60, recounted how as a prisoner at Auschwitz he was part of a work crew forced to remove 600-700 bodies from a gas chamber.

Henry Leader, 65, described loading gassed victims onto wagons in Maidanek, while Rudolf Verba described how he counted the transports arriving at Auschwitz and relayed that information in the War Refugee Board report of 1944 following his miraculous escape.

They were grilled unmercifully by defense lawyer Doug Christie, who questioned their memories and at times boldly stated they were lying.

Defense 'Experts' Made Headlines

A number of Holocaust-denying defense "experts" made headlines in the national media with their claims that the Holocaust is a myth or that gas chambers never existed. They included discredited French Professor Robert Faurisson and other questionable academics associated with the California-based Institute for Historical Review.

While little weight may have been attached to some of the theories of the defense witnesses -- one, Ditlieb Felderer from Sweden, claimed the prisoners at Auschwitz ate good food, swam in an olympic-size swimming pool and danced to the sounds of the Auschwitz waltz -- the court ruled they were relevant in determining Zundel's honest belief in the truth of the tales.

'Just And Noble' Decision Lauded

Shortly after the verdict was delivered, B'nai B'rith Canada and the Canadian Jewish Congress held a joint press conference in which they lauded "this just and noble" decision.

The national director of field services of the League for Human Rights of B'nai B'rith, Alan Shefman, acknowledged the law was "a double edged sword" which allowed Zundel to "avail himself of a platform" to espouse his views. But the lesson is that "racism doesn't occur somewhere else and it didn't end with the Holocaust."

The chairman of Ontario Region, CJC, Les Scheininger, said hateful propaganda starts with the Jews but it ends in attacking others in society. "The Holocaust did not begin with crematoria and gas chambers. It began with the spread of hate propaganda and vicious lies," he said.

MORE THAN 4,000 JEWISH ATHLETES TO COMPETE IN THE 12th MACCABIAH GAMES

TEL AVIV, March 3 (JTA) -- More than 4,000 Jewish athletes will compete in 30 different sports at the 12th Maccabiah Games due to open at the refurbished Ramat Gan stadium on July 15, the International Committee for the Maccabi Games was told at its meeting here last week.

Some 3,400 of the record 4,200 participants will be coming from abroad, one-third of them from Latin America. The U.S. contingent is expected to number 550, up from 372 at the last games; and Australia, up from 193 to about 300. New entries this time will be from Bermuda, Gibraltar and Monaco.

Two new sports will be introduced at this international Jewish sports meet -- rugby football, and high diving. Other games not included in the Los Angeles Olympics will be cricket, badminton, field hockey, squash and golf.