

**RABIN VISIT TO CAIRO HERALDS
NEW CHAPTER IN TIES WITH EGYPT****By David Landau**

CAIRO, July 21 (JTA) -- Israeli Prime Minister Yitzhak Rabin's one-day visit here Tuesday appears to have breathed new life into Israeli-Egyptian relations, which have shown few signs of vitality in recent years.

Rabin's lengthy summit meeting with Egyptian President Hosni Mubarak, the first in six years between the leaders of the two countries, did not produce any immediate breakthroughs.

But it went a long way toward warming a relationship that has been tepid since the two nations signed a peace treaty 13 years ago.

Rabin called the visit a "turning point" that had produced a "completely new atmosphere" in Israeli-Egyptian relations.

That change was evident when Mubarak took the opportunity at a joint news conference with Rabin to praise the new prime minister's "genuine support for peace."

It was a far cry from Mubarak's past remarks about Rabin's predecessor, Yitzhak Shamir, whom the Egyptian president had said he had no interest in meeting as long as the Likud leader had "nothing to deliver."

The Egyptian position was summarized bluntly by Mubarak's top aide, Osama el-Baz.

"At last, there's someone (in Israel) whom we can talk to," he told reporters. "We know that Rabin is tough and there won't be agreement on everything. But at least we share the same common goal."

The meeting with Rabin, just one week after he took office, was a clear indication that Egypt feels the Labor Party leader has something to deliver. Mubarak even mentioned that Egypt is "not asking for miracles."

But there were other indications of the improved atmosphere between the two countries in the aftermath of Labor's sweeping electoral victory four weeks ago.

For one, Rabin was received at Cairo's international airport with a full red carpet ceremony, with the national anthems of both countries played. On hand to greet him was Egyptian Prime Minister Atef Sidki.

An Invitation To Visit Israel

The Israeli prime minister's seven-hour visit included a 90-minute private meeting with Mubarak, followed by a luncheon with their aides that was served by white-gloved waiters in the ornate French colonial palace in Heliopolis.

While in the country, Rabin laid a wreath at the tomb of the late Egyptian President Anwar Sadat and paid an emotional, if fleeting, visit to the Shaare Shamayim synagogue in downtown Cairo, where Egypt's remnant population of mainly elderly Jews still worships.

The possibility of a reciprocal visit by Mubarak was raised when Rabin extended an invitation. But while the Egyptian leader accepted in principle, he politely indicated that in practice, no trip was planned in the foreseeable future.

"Mr. Rabin invited me," Mubarak told the news conference, "but frankly speaking, I need no invitation. Whenever I find it convenient, I will

go to Israel." He stressed, though, that "my response is positive to Mr. Rabin."

Egyptian Foreign Minister Amre Moussa told the Jewish Telegraphic Agency that he, on the other hand, was likely to visit Israel "in the near future." And other high-level visits are expected as the relations between the two countries warm up.

In their private conversation and again at the luncheon with their aides, Mubarak is understood to have tried to persuade Rabin not to neglect Israel's bilateral negotiations with Syria.

"Syria is interested in reaching a settlement with you," the Egyptian president is said to have told the Israeli leader.

Rabin replied that Israel, too, is interested in tackling all components of a peace agreement with Syria.

But he noted pointedly that progress was hampered by incidents such as the armed attack in southern Lebanon on Monday by Hezbollah guerrillas, who managed to kill an Israeli soldier and wound five others.

Even if Syria is not directly behind each and every attack in southern Lebanon, Rabin said, "there is no doubt that Damascus has it in its power to restrain these hostile elements."

Peace Talks In Cairo?

Israeli officials said Mubarak clearly had taken note of Rabin's comments, which they presumed he would transmit to Syrian President Hafez Assad when the two meet in Damascus this weekend.

Mubarak also appeared to express interest in moving the bilateral peace talks to Cairo, when the idea was floated at his joint news conference with Rabin.

"Look, we have no objection to that, if all the parties are ready," the Egyptian leader said. "Whenever they want to come here for negotiations, they are welcome. If they want to go to any other place, that is their business."

Rabin pointed out that "at the present time, we are committed to go to Rome," the site that the United States selected after Israel requested the talks be moved from Washington to a destination closer to the Middle East.

But the prime minister added that Israel "would welcome an arrangement at a later date whereby the bilateral talks would be held in Egypt."

During the news conference, Mubarak also praised Rabin's pledge to curtail settlement activity in the administered territories, indicated he had no problem with the United States guaranteeing billions of dollars of loans for Israel and called for a suspension of the Arab boycott against Israel in return for a settlement freeze.

He called Rabin's public position on the future of the settlements "a good step on the right track, which we appreciate. Yet we need much more," he continued. "But we leave it to him now."

On the loan guarantees, Mubarak said, "I do not interfere any more in this." He added that it was up to the United States and Israel to reach an agreement concerning the settlements.

(JTA correspondent Gil Sedan in Jerusalem contributed to this report.)

**BAKER ENDS VISIT TO ISRAEL
WITH LOAN DEAL IN THE WORKS**
By Gil Sedan

JERUSALEM, July 21 (JTA) -- Secretary of State James Baker left here Tuesday with Israelis convinced they would soon get long-awaited guarantees from the United States for billions of dollars in loans needed for immigrant absorption.

Differences between the two countries remain, most notably over Prime Minister Yitzhak Rabin's distinction between "security" and "political" settlements, which Baker does not accept.

But Israeli sources say Baker will nonetheless advise President Bush to grant the loan guarantees, with an announcement expected early next month during Rabin's visit to Bush's vacation home in Maine.

Baker summed up his visit as "very fruitful." The new political situation presents an opportunity to create "a new momentum" in the peace process, he said.

The secretary of state maintained his upbeat tone after meeting in Amman for four hours with King Hussein of Jordan.

"There are opportunities now that should be taken advantage of and will be taken advantage of," he said, according to reports from the Jordanian capital.

Foreign Minister Shimon Peres, who met a few times with Baker during his stay, likewise held out prospects for progress.

He told the Conference of Presidents of Major American Jewish Organizations in a telephone call to New York that the talks with Baker were "successful" and conducted in an atmosphere of "warmth and friendship."

A Message For Assad Of Syria

Peres said that in discussions with Baker about the peace talks, "many of the misunderstandings related to the bilateral talks have been clarified, and substantive discussions were held on multilateral issues."

He said that "the Palestinians are convinced that we mean business. I believe they're ready to go ahead."

Peres said he expected the issue of the Arab boycott against Israel to be raised by Baker on his visit to the Arab states.

After meeting with Hussein, Baker continued on to Syria, where he was scheduled to meet with Foreign Minister Farouk al-Sharaa. He will proceed to Egypt to meet with President Hosni Mubarak and then return to visit Syrian President Hafez Assad, whose mother died Tuesday morning.

When Baker meets Assad, he reportedly will present him with a message from Rabin designed to repair the damage caused by pre-election remarks that Palestinian autonomy is Israel's top priority at the peace table, and that negotiations with the Syrians can go on the back burner.

Rabin reportedly asked Baker to assure Assad that Israel is open to compromise on the Golan Heights, though it will not retreat from all of it.

The condition for progress between Israel and Syria, Rabin reportedly said, is a for Assad to publicly declare his willingness to reach a peace accord with Israel.

In Amman, Hussein did not say whether he would give his assent to removing the boycott of companies that do business with Israel, or any other specific confidence-building measures.

Palestinians have protested that no confi-

dence measures are called for unless Israel announces a total freeze on the construction of settlements in the administered territories.

But as Rabin reportedly explained to Baker on Monday, the Israeli halt on construction in the territories will not be total.

While Rabin has no plans to build new settlements, legal and practical considerations may preclude stopping some of the construction that is already under way.

And the prime minister said he is not willing to announce a settlement freeze in the areas he considers vital to Israel's security: Greater Jerusalem, the Jordan Valley and the Golan Heights.

Building In Jerusalem Unresolved

According to one report, the U.S. administration is likely to propose that public funds spent to continue construction under way be deducted from the amount of the loan guarantees.

Israel had originally requested guarantees that would enable the country to take out \$10 billion worth of loans at favorable rates to pay for the absorption of new immigrants.

But with the slowdown of immigration since the guarantees were first discussed a year ago, it is expected that the package will be redrawn.

Newspaper reports here say Bush will offer a package of \$2 billion a year for two years, with subsequent amounts to depend on the pace of immigration.

Also unresolved is continued building activity in East Jerusalem. However, it was expected here that by the time Rabin and Bush meet, a compromise formula will have been found.

Before his departure from Israel, Baker met with Rafael Eitan, leader of the opposition Tsomet party, who presented "the other side of the picture" regarding the future of the territories.

The meeting was initiated by Eitan, but Baker was also reportedly eager to meet the man who won eight seats in the elections and is still considered a potential Labor coalition partner.

(Contributing to this report was JTA staff writer Larry Yudelson in New York.)

**ISRAELI SOLDIER KILLED, 5 INJURED
IN SECURITY ZONE OF SOUTH LEBANON**
By Hugh Orgel

TEL AVIV, July 21 (JTA) -- An Israeli soldier was killed and five others were wounded early Monday morning in two separate incidents in the border security zone of southern Lebanon.

The Iranian-backed Hezbollah claimed credit for the two attacks, which took place in the Israeli-controlled zone's central sector.

In response, Israel Defense Force and South Lebanon Army gunners rained artillery and mortar shells on villages north of the zone Tuesday.

The first incident occurred when an IDF unit on routine patrol came under grenade and light weapons fire near Barashit village, close to the northern border of the zone.

One soldier was killed and three others were wounded, two with light injuries and one with medium wounds in the chest. They were not immediately identified.

Shortly afterward, two IDF soldiers in the same area were lightly injured when a bomb exploded under their vehicle.

According to reports from Beirut, eight civilians were wounded in Barashit village Tuesday, during some two hours of bombardment during which six villages were hit.

HAVEL RESIGNS AS PRESIDENT, LEAVING CZECHOSLOVAK JEWS UNSURE OF FUTURE
By Josef Klansky

PRAGUE, July 21 (JTA) -- A golden era for Jews in Czechoslovakia may have ended this week as President Vaclav Havel stepped down from office after a tenure that lasted only 935 days.

Havel resigned Monday, signaling the imminent dissolution of a 74-year-old union between Czechs and Slovaks and the collapse of the federal government that ruled over the federation.

A majority of Slovak members of the new federal parliament refused earlier this month to re-elect Havel, and the Slovak National Council declared the republic's independence.

The playwright-president led his country's "Velvet Revolution" against Communist rule in 1989 and left the presidential palace with promises to be gone from public life for too long.

Havel did not rule out the possibility of returning as president of the Czech republic, but indicated it will depend on the power granted to the position in a new Czech constitution.

He leaves behind him a legacy of friendship with the Jewish community and a history of repudiating all forms and expressions of anti-Semitism.

One of his first acts as president was to renew diplomatic relations with Israel, which had been broken off in 1967.

And among his first state visits, in April 1990, was a trip to Jerusalem. In October 1991, Havel hosted Israel's President Chaim Herzog in Prague.

Havel's resignation is being mourned by Jews all over the country, but in Slovakia the regret is particularly acute.

It is Slovakia that has a strong legacy of anti-Semitism. Its one experience with independence was during World War II, when it became a puppet state of Nazi Germany.

Today, the new roster of political leaders in Slovakia includes Dusan Slobodnik as culture minister. In 1944, when he was 18, Slobodnik participated in a course organized and led by Nazi SS officers.

After Hitler's defeat, Slobodnik was arrested by the Soviet army and spent eight years in Soviet captivity before being allowed to return to Slovakia. Before he was appointed to the Slovak government, Slobodnik was a journalist with a nationalist orientation.

Havel, on the eve of the political elections which ultimately unseated him, warned voters against "cheap appeals to national sentiments" by leaders with "dictatorial tendencies."

His warnings were understood to refer to Vladimir Meciar, a former Communist who leads the Movement for a Democratic Slovakia and is now prime minister of the Slovak republic. Meciar appointed Slobodnik as culture minister.

IDF SENDS FIRST MILITARY ATTACHE TO FORMER COMMUNIST COUNTRY
By Hugh Orgel

TEL AVIV, July 21 (JTA) -- The Israel Defense Force has begun appointing military attaches to Israeli diplomatic missions in former communist countries.

Lt. Col. Ze'ev Gilkis has been appointed military attache at the Israeli Embassy in Poland, becoming the first Israeli military representative in a former Communist country.

The decision to exchange military attaches

was made in April, when IDF Chief of Staff Ehud Barak visited Poland and met with his Polish counterpart.

Gilkis will also serve as head of the Defense Ministry delegation to Poland, a job primarily intended to promote sales of Israeli defense equipment.

The IDF is also considering the dispatch of a military attache to India, assuming the New Delhi government agrees.

The officer would be able to help Israel express its opposition to India's military support of Arab countries, following reports earlier this year that India had supplied Syria with a Soviet-made nuclear reactor.

Military sources say the issue of naming an attache to the Israeli Embassy in Moscow has not yet been resolved.

An agreement with Russia exists, but the Russians are insisting that a military attache in Moscow should have the rank of major general, similar to that of the military attache in Washington, rather than a brigadier general, as proposed by the IDF.

HOLocaust DENIER REPEATS CLAIMS IN AN ITALIAN MAGAZINE ARTICLE
By Ruth E. Gruber

ROME, July 21 (JTA) -- British Holocaust revisionist David Irving, who recently gained notoriety when the Sunday Times of London hired him to transcribe the diaries of Nazi propagandist Josef Goebbels, reasserted in an interview published here his view that the Holocaust did not take place.

Irving was deported from Italy last month when he arrived to address a neo-Nazi meeting in Rome.

He said in the interview published in the magazine section of the newspaper La Repubblica, that had he been allowed to speak, he would have said what he has been saying for 20 years.

"What is called the Holocaust or the Final Solution, that is, the physical liquidation of the European Jews, was never ordered or scientifically planned by Hitler," he said in the interview.

Irving, a historian, said that what happened was probably the result of two forces: initiatives adopted by local authorities in the invaded territories, and a misinterpretation of the regime's anti-Jewish regulations by the leadership of the SS.

"There does not exist one single document that establishes a direct link between Hitler and the so-called Final Solution," he added.

Italian journalist Miriam Mafai, herself a Jew, quoted Irving as saying that if he had known she was Jewish he would not have agreed to be interviewed by her.

He denied the existence of extermination camps and gas chambers. If they had existed, he claimed, he would have found documentation, because "the Germans were extremely precise" and it was "improbable" that documents had been destroyed.

As for documents which did show the commander of Auschwitz ordering large quantities of Zyklon B, Irving said "We cannot exclude that this was used in the crematoria where bodies were incinerated. Not for gas chambers."

German Jews, he said, were not Germans, adding that "Goering and Goebbels did everything they could before the war so that the Jews themselves would leave Germany."

**BEHIND THE HEADLINES:
A CENTURY AFTER THE FIRST CONGRESS,
ZIONIST MOVEMENT STILL HAS 'A CALLING'**
By Michele Chablin

JERUSALEM, July 21 (JTA) -- There are those who think the Zionist movement should have come to an end with the establishment of the modern State of Israel.

But Simcha Dinitz is not one of them.

He believes the Zionist movement "has a calling today," nearly a century after Theodor Herzl convened the first Zionist Congress in Basel, Switzerland.

Dinitz, who chairs the World Zionist Organization and Jewish Agency for Israel, discussed the movement's goals in an interview with the Jewish Telegraphic Agency in his office prior to the scheduled opening of the 32nd Zionist Congress here on Sunday.

"Historically, there have been those who believed that the aim of the movement was to establish the Jewish state, period," Dinitz said. "But those who understood Zionism realized that its role was the redemption of the people of Israel and the Land of Israel."

"So as long as the majority of the Jewish people live outside Israel, and the majority of the Land of Israel is untilled, the Zionist movement remains relevant," he said.

"The question is how to make it relevant to the tasks of today."

While doing so has not been easy, "I feel that we are on the right track," he said. "It has been our aim, particularly during the past four years, to turn the movement into a relevant instrument to solve the existing Zionist problems."

Aliyah Is Top Challenge

The most pressing, problem, he said, is aliyah.

"The question of aliyah is two-fold: There is aliyah from dangerous or distressed countries, and aliyah from affluent nations," he said.

"We are very proud of the fact that it was the Zionist movement that organized and transported the mass aliyah of 400,000 Jews during the past three years," Dinitz said.

The bulk of those immigrants, about 330,000, are from the former Soviet Union, about 40,000 are from Ethiopia and the remainder are from the rest of the world, he said.

That remainder includes those who came in various small but dramatic operations, including the airlifting of the entire Albanian Jewish population to Israel in 1991 and the rescue of Jews this year from ethnic battles in the former Yugoslav republics of Croatia and Bosnia-Herzegovina, and in Moldova.

But an even bigger challenge, Dinitz said, is attracting Jews from non-distressed countries to Israel.

"Zionism never conceived of Israel as being a haven only for the refugee or the persecuted, but a beacon and a magnet for the Jew who lives in a free society," he observed.

To encourage Diaspora Jews to make aliyah, he said, "we must first create in Israel a society that will attract people to come here by choice, not by necessity."

"Israel must be a place where they can fully realize their potential as Jews and as human beings," he said.

"Israel is and must be perceived as a valued

society, something that as Jews they do not find in their respective countries."

To attract such people, Dinitz asserted, "we have to enhance Jewish-Zionist education abroad."

"Diaspora Jews must know their history, their heritage, their religion, their culture and their literature, so they will be proud of being Jewish and be able to combat the various forces that operate in a free and affluent society that take them away from their origin and uniqueness."

'A Period For Stocktaking'

In an affluent society, he explained, "the tendency is to be like everybody else. So if you ask somebody to be different, you have to teach them why it is worthwhile to be different, why he should endure being different. That is what Jewish education is all about."

The large wave of aliyah during recent years, he said, "has brought a tremendous amount of talent and brainpower to Israel."

"When these people are absorbed -- and it will be a matter of a few years -- Israel will become such an attractive center for Jews from all over the world that they will have to ask themselves, 'What is the sense of us remaining in the Diaspora when the action is in Israel?'"

"These are the reasons that the Zionist movement has a calling today," he said.

The importance of the World Zionist Congress, Dinitz said, "lies in its being a period for stocktaking of the past, and for charting a course for the future."

Looking forward to Sunday's gathering, he said, "This congress will be particularly exciting because not since the establishment of the State of Israel has the Zionist movement stood in the forefront of fulfilling the task of 'shivat Zion,' the return to Zion."

But Zionist leaders have an uphill battle before them, Dinitz warned. Noting that "immigration from the former Soviet Union has fallen down two-thirds from the same period last year, he said there is "an urgent need to revive the wave of immigration."

He called for "a new set of priorities in Israel, which, of course, has to be decided by the government."

New Government, New Hope

"With the new government there is new hope," Dinitz said. "This means that more money and resources will be invested in Israel's economy to create better conditions, and especially improved conditions of employment, for all Israelis, including new immigrants, because you can't separate the two."

"This change of priorities, away from settlements in the territories and toward the economy, will help Israel receive credit from international sources," he said, alluding to Israel's bid for \$10 billion in loans guaranteed by the U.S. government.

Until, now, Dinitz asserted, "foreign sources have been reluctant to assist Israel when there was no assurance that this money would really be spent solely on the creation of jobs and an economic infrastructure for new immigrants."

"I believe that these two things -- the change in the order of priorities within Israel and the change of attitude, hopefully, among foreign sources in helping Israel -- will create conditions that will be conducive to the renewal of large-scale immigration," he said.