

**REPUTED LEADER OF FATAH ORDERED DEPORTED; GIVEN 48 HOURS TO APPEAL**  
By Gil Sedan

JERUSALEM, Aug. 8 (JTA) — Israeli security forces arrested Khalil Abu-Ziad, a reputed Fatah leader in the territories, at 12:30 a.m. this morning and handed him a deportation order signed by Gen. Amnon Shahak, head of the Central Command. He was given 48 hours to appeal to a military court for the rescinding of the order.

If the order — which can also be appealed before the Supreme Court — is implemented, Abu-Ziad's deportation would become the first such action under the new strong-arm policy in the territories approved by the Cabinet at its weekly session last Sunday.

An Army spokesman said today that Abu-Ziad is a senior leader of Fatah in the territories and is involved in terrorist and subversive activities. He also said Abu-Ziad maintains contact with people active in Fatah, both inside and outside the territories.

**Returned And Then Rearrested**

Abu-Ziad has served ten years in prison for Fatah activities. He was first arrested on suspicion of Fatah activities in September 1979. He was released, then rearrested two months later, when the authorities uncovered a widespread Fatah network. He was charged with heading a terrorist cell, undergoing military training, receiving Fatah funds from abroad, and distributing Fatah funds in the territories.

Upon his release in November 1980, Abu-Ziad opened a bookstore in East Jerusalem. In 1982, he was placed under house arrest for allegedly carrying on Fatah activities and making his store a meeting-place for PLO activists. Military sources here said Abu-Ziad violated the house arrest orders.

Abu-Ziad's attorney, Amnon Zichroni, said he will seek an interim court order to delay the deportation order while he prepares his client's appeal. He will attempt to overturn the precedents of the deportations of the late Hebron Mayor Fahed Kawasme and Hal-houl Mayor Mohammed Milhim in 1980. These were approved by the Supreme Court, which ruled that the Geneva Convention banning deportation does not apply in the territories.

The deportation order was condemned by Meir Wilner of the Hadash Communist Party as a surrender to the pressure of the Kahanists. Leaders of the Progressive List for Peace said Abu-Ziad should be brought to trial, and that the strong-arm policy in the territories would only increase terrorism and violence. The Citizens Rights Society stated that the judicial system provided sufficient legal mechanisms to cope with subversion and incitement, and that there was no need for deportation.

Minister of Police Haim Barlev said that the deportation policy in the territories would continue, if necessary. This policy, he said, would bring about calm in the territories.

**IDF HITS TERROR BASE IN LEBANON**

TEL AVIV, Aug. 8 (JTA) — Israeli Defense Force aircraft today bombed a terrorist base in Lebanon's

eastern Bekaa valley identified as a headquarters of the Popular Front for the Liberation of Palestine-General Command, a dissident Palestinian group headed by Ahmed Jibril. All planes returned safely to their base, the army spokesman said.

According to reports from Beirut, the three-story structure was completely destroyed by bombs dropped from two aircraft, with another six planes flying cover. The raid was part of Israel's ongoing policy of striking at terrorist bases to prevent activities against Israel or pro-Israeli forces in Lebanon.

The raid was the tenth Israeli air strike in Lebanon this year and the fourth in a month. It follows a recent increase in car bomb attacks against Israeli forces and the Israeli-backed South Lebanon Army in the security zone in south Lebanon. A grenade thrown at an SLA post in south Lebanon yesterday killed an SLA soldier.

**ISRAEL DENIES SUPPLYING WEAPONS TO CONTRA FORCES IN CENTRAL AMERICA**

By Hugh Orgel

TEL AVIV, Aug. 8 (JTA) — The Foreign Ministry today denied charges that Israel has supplied arms directly to the United States-backed rebel forces fighting the Sandinista government in Nicaragua.

The Ministry, in a statement issued after Nicaraguan President Daniel Ortega asserted that Israel is training and arming the rebel Contra forces, said also that Israel has been making persistent efforts to restore diplomatic relations with Nicaragua broken by the government in Managua three years ago.

Ortega, in an exclusive interview with Haaretz published today, said that Israel was being manipulated by the United States to back the Contras operating from neighboring Honduras. He said that he had documented evidence of Israeli aid to the Contras, and promised to publicize some of the material.

**Israel's Support Of Somoza Cited**

According to Ortega, the Sandinista government's dispute with Israel stems from its support of the regime of former dictator Anastasio Somoza, which was overthrown in 1979. In the wake of the outbreak of the Lebanon war in June, 1982, Managua severed ties with Jerusalem.

But Ortega said that the Lebanon war was not the real issue and instead cited Israel's continued support of the pro-American regimes in Central America, support which was highlighted by the visit to Honduras of former Defense Minister Ariel Sharon in December, 1982, reports of which linked the visit to arms sales.

The Foreign Minister of Honduras, Dr. Edgardo Paz Barnica, now in Egypt, is due in Israel on a visit next week. Israeli officials hope he will repeat his promise, made in Cairo, to open Honduran Embassies in both Egypt and Israel.

**PERES SAYS ISRAEL WILL OFFER SELF-DETERMINATION TO ARABS**

TEL AVIV, Aug. 8 (JTA) — Premier Shimon Peres said today that his coalition government had agreed that when and if negotiations begin with Jordan on the status of the occupied areas, Israel will be able to

offer self-government to the Arab residents of the West Bank and the Gaza Strip. Addressing a graduating class at the National Defense College here, Peres also said that Israel would not allow the territories to become a base for terrorism and that it would act against terrorists and against those who encourage terrorists.

He also said Israel hopes that Jordan will not become a terrorist center where the terrorists can replace the centers they lost in Lebanon, an apparent reference to the destruction of the infrastructure built by the Palestine Liberation Organization in Lebanon before the PLO was driven out of Lebanon by the IDF.

#### Israel Will Not Be Misled

Peres declared that Israel would not be misled by PLO statements that it had changed its policies, adding, "We know PLO head Yasir Arafat continues to plan attacks" against Israelis.

He said he thought that King Hussein of Jordan genuinely wanted peace with Israel. But, Peres said, Hussein is mistaken if he thinks he will help the peace process by strengthening his relations with Arafat.

#### NAVON BLOCKS DIRECTIVE BARRING CONTACTS BETWEEN JEWS, ARAB YOUTH By Gil Sedan

JERUSALEM, Aug. 8 (JTA) — Education Minister Yitzhak Navon today directed the Ministry's religious education division not to distribute instructions forbidding Israeli religious schools from holding social meetings between Jews and Arabs.

"We shall not allow any ban on meetings with Arabs," Navon declared. The order was issued a day after the director of the division, Yaacov Hadani, announced the ban and told reporters that the directive had the full backing of Navon.

The ban on meetings between Jewish and Arab youths was intended, according to Hadani, to fight growing trends toward assimilation and mixed marriages. He also rejected charges that the ban would conflict with the Education Ministry's recent directive to stress studies in democratic values and Jewish-Arab understanding.

#### Navon Will Not Tolerate Intervention

Navon said that he was responsible for the actions taken by the Education Ministry and that he would not tolerate the intervention in the Ministry by the Chief Rabbis of Israel, an apparent reference to a recent statement from the chief rabbinical council objecting to meetings between Jewish and Arab youths.

Interior Minister Yitzhak Peretz of the Shas Party said today he supported Hadani. "If we look at Jewish history, the greatest danger to the Jewish people in all generations has been assimilation," Peretz declared.

#### ISRAEL TRADE BALANCE IMPROVES By Gil Sedan

JERUSALEM, Aug. 8 (JTA) — The Central Bureau of Statistics reported yesterday that the improvement in Israel's trade balance was continuing, citing a drop (during the first seven months of this year) in Israel's trade deficit of 35 percent, compared to the deficit in the second half of last year.

The bureau reported that the deficit totalled \$1,148.8 million, compared to \$1,753 million during the second half of 1984. Overall imports dropped by 7.5 percent and exports have been stable, the bureau

reported, while imports of consumer goods dropped by nine percent. The bureau said about one-third of the fall in the trade deficit was credited to a drop in the import of oil products, since Israel is reportedly dipping into its oil reserves.

Officials said the foreign trade figures were the latest in a series of positive indicators boosting the government's claims that its economic austerity program was succeeding.

Imports between January and July totalled \$4,549 million while exports in the same period were \$3,407 million, an increase of 7.6 percent over the corresponding 1984 period.

#### Agreement On Dismissals Reached

In a related economic policy development, the Histadrut, Israel's powerful labor federation, and the government agreed in principle Tuesday to speed up dismissal of government workers. But a growing resistance to this agreement was reported among civil service workers organizations.

The negative workers' reaction led Treasury officials to express concern that the dismissals in Israel's huge bureaucracy might be hard to implement. Observers said that the Clerical Workers Union and the Civil Servants Union were likely to ignore the dismissal agreement.

#### Terms Of Agreement

Terms of the agreement confirmed government goals to cut three percent of public work force -- some 7,000 workers -- off the public payroll, implemented in accordance with present labor pacts.

Officials said this meant that those listed for dismissal will benefit from further negotiations and not be laid off at the sole discretion of the government. Compensation for laid off civil service workers also will be negotiable, officials said.

#### GROUP SAYS SAUDIS WILL RESUME USE OF OIL WEAPON By Gil Sedan

JERUSALEM, Aug. 8 (JTA) — Saudi Arabia will resume within two years use of its oil weapon against the Western world, members of a mission of the Council for a Secure America (CSA) told a press conference here today.

The CSA advocates policies aimed at assuring the survival and growth of America's domestic energy industry and a broader base of American support for Israel.

Mack Wallace, co-chairman of CSA, noted that Sheik Yamani, the Saudi Arabian oil minister, had declared two years ago that Saudi Arabia planned to use its petro-weapon in 1987. Wallace said the oil minister was looking at the same figures "as we do."

The CSA brought together, in the United States, two groups which share a concern that America's commitment to Israel be able to withstand the tests of current economic energy pressures and future energy crises and who agree that continued domestic energy production is the only way to assure that American security would not be held hostage to oil from overseas sources.

He said the "unique coalition" between the American Friends of Israel, a Jewish group, and a group of oil men in Texas was organized to give energy-producing states more power in Congress. He said that while the oil men joined the partnership for economic reasons, the Jews joined because they felt such a coalition was a prerequisite to assuring United States independence from Arab oil pressures.

# BARLEV DISCLOSES ISRAEL HAS APPEALED TO HUSSEIN TO RID JORDAN OF TERRORIST BASES By Hugh Orgel

TEL AVIV, Aug. 8 (JTA) — Police Minister Haim Barlev revealed today that Israel had appealed to Jordan's King Hussein both publicly and through diplomatic channels to remove terrorist headquarters from his country.

Barlev appeared to take issue on this question with Industry and Trade Minister Ariel Sharon when he added that such bases were not to be a target for Israeli military operations. Sharon had said last week that such bases should be attacked militarily. Speaking to reporters during a tour of the Jordan River and Bridges area, Barlev said:

"Jordan should be told that such bases should be removed ... that they have no immunity. But a movie cowboy who threatens rarely shoots." Jordan had shown in the past that it is fully capable of dealing with terrorists, Barlev continued. Diplomatic negotiations with Jordan were the right road toward a solution -- not sabre-rattling or threats, but plain speaking.

## Barlev Seeks 'Publicity'

Deputy Foreign Minister Ronni Milo of Likud expressed surprise upon learning of Barlev's statement, which he described as showing a lack of intention to attack terrorists. He commented that, "Whenever Sharon says one thing, Barlev has to grab publicity by saying the opposite."

Meanwhile, Defense Minister Yitzhak Rabin said today that the presence of terrorist headquarters and bases in Jordan was more dangerous than the existence of PLO camps in Beirut. King Hussein should be warned of Israel's concern about the bases, Rabin said. He could, however, not support a demand that they be removed from Jordan as a precondition for negotiations with that country, he said.

## ISRAELI OFFICIAL ASSESSES IMPACT OF FREE TRADE ACCORD WITH U.S.

By Marlene Goldman

NEW YORK, Aug. 8 (JTA) — Fashion and textile trade between the United States and Israel is expected to increase in the wake of the new U.S.-Israel Free Trade Area (FTA) agreement scheduled to take effect September 1, an Israeli trade official said today.

At a news conference at the Harley Hotel here, Abraham Rosental, Israel's Trade Commissioner to the U.S., outlined his predictions for a "bilateral flow of trade" between the two countries that would offer expansion and co-venture opportunities for American fashion and textile producers as well as for American retailers who sell Israel's fashion merchandise.

"Our final goal for 1995 is that all trade will have a duty-free access of products from one country to the other," Rosental explained.

## All Apparel Items Covered In Pact

Under the FTA agreement, signed by Industry and Trade Minister Ariel Sharon and by U.S. Trade Representative William Brock last April, all articles of apparel are covered in one of the four categories of tariff-cutting.

While some items, such as women's and girls' swimming suits, will receive immediate duty-free

treatment, the remainder will undergo a phase-down of duties, beginning with a 20 percent reduction in September, and will be duty-free either by 1989 or 1995.

"This reduction at a wholesale level will eventually be passed along to consumers as well," Rosental predicted.

He asserted that the FTA agreement, encompassing all trade between the two countries, "is an excellent opportunity for Israeli and American businessmen to explore joint business ventures." It should also "encourage American apparel and textile companies to penetrate the Israeli market with exports and to co-venture manufacturing enterprises in Israel."

"Not only can producers take advantage of Israeli technology and manpower expertise," Rosental continued, "they can also re-export back into the U.S. duty-free, enjoying a price edge against other world producers." All other countries supplying apparel to the U.S. have no tariff reduction benefits; the rate of duty ranging from 4.5 percent to 37.5 percent.

## FTA Is First For U.S.

The FTA agreement is the first the U.S. has entered into while Israel is the only country that has a FTA agreement with the European Economic Community (EEC) and the U.S. "It is a good way of access from the U.S. to the EEC," noted Rosental and added that the agreement could "strengthen ties between Israel and the U.S."

Although Israel already imports a substantial volume of textiles from the U.S., Israel's exports to the U.S. remain a small portion of the American market. But as Israel increases its sales of apparel, the volume of U.S. textile exports should also increase.

Rosental emphasized that Israel won't compete "with cheap labor and mass production" but rather with "high quality and designs." To support this statement, the Israel Trade Center here in cooperation with the Israel Export Institute in Tel Aviv, will present Israel Designs, a showcase of 35 Israeli fashion designers that, according to Rosental, "will be a good kickoff for the implementation of the FTA Agreement."

## SKIRBALL MUSEUM GETS GRANT TO PREPARE SHOW OF HOLOCAUST ARTIST

LOS ANGELES, Aug. 8 (JTA) — The Hebrew Union College Skirball Museum here has been awarded \$75,000 to organize a traveling exhibit of 36 works of art by Hungarian artist Alice Cahana, according to Alfred Gottschalk, president of the Reform academic seminary institution.

He said the grant came from the non-sectarian Atlantic Richfield Foundation, located here, which supports the arts, hospitals and higher education.

He said the Skirball Museum exhibit will chronicle the Hungarian artist's Holocaust experiences and subsequent rebuilding of her life in Israel and the United States. He said the exhibit is being dedicated to Raoul Wallenberg, the Swedish diplomat who saved thousands of Hungarian Jews from the Nazis before vanishing mysteriously into Soviet control.

The grant will enable the Skirball Museum to produce a catalog for the exhibit and a videotaped interview with the artist and to oversee the travel of the exhibit in Los Angeles, Dallas, Houston, Denver, Chicago, and Philadelphia.

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JERUSALEM (JTA) — Security forces arrested Wednesday several Arabs suspected of throwing gasoline bombs at a border patrol in a refugee camp in Nablus earlier this week. Two border police officers were injured in that attack.

## BEHIND THE HEADLINES

## A MAJOR ARCHAEOLOGICAL FIND

By David Landau

**JERUSALEM, Aug. 8 (JTA)**—The very first houses built in Jerusalem have been unearthed in the Kidron Valley, just southeast of the Old City walls.

Hebrew University archaeologist Yigal Shilo, coming to the end of his eighth and last season's dig at the City of David, last month struck bedrock -- and exposed on the bedrock neat little homes built 3,000 years ago.

His team of local students and overseas volunteers are now smashing through a section of a later wall to discover whether these first houses -- the beginning of settlement in the city 1,000 years before King David -- were surrounded by a protective wall or were merely a village-like complex open to the surrounding hillsides.

The unearthed houses comprise walls with built-in benches protruding from them and surrounding a central living area. Shilo told reporters that such construction is common in this proto-urban phase in Palestine -- the early Bronze Period contemporaneous with the Patriarchs.

Exciting Aspect Of The Kidron Settlement

He noted that much older dwellings have been discovered, in Jericho and elsewhere. But the exciting aspect of the Kidron Valley settlement, close to the Siloam spring, is that it marks the start of uninterrupted settlement in Jerusalem from 3,000 years ago to the present day.

Archaeologists have not been able to trace a continuous proto-urban development in Jericho or in the other more ancient sites: there is an unexplained lacuna between the prehistoric remains and the more modern ruins.

Shilo said it was natural for the first, nomadic settlers to choose a site close to the source of fresh water -- even though this was not the highest or best protected site in the area.

Subsequent development of Jerusalem tended to take place higher up the slope -- so that the City of David itself, extensively excavated by Shilo and his team in recent years, sits several hundred feet above the Kidron Valley houses. Later still, under Solomon, the Temple was built still higher -- in what Shilo termed Jerusalem's acropolis. The two sections of the city, the original City of David and the acropolis, were linked.

Part Of An Archaeological Park

Shilo's finds in the City of David are gradually being incorporated into an archaeological park, with the help of Mayor Teddy Kollek's Jerusalem Foundation.

Opened only recently, and still far from completion, the park already promises to become one of Jerusalem's most attractive tourist sites, for local and overseas visitors. Thoughtful landscaping has contributed to effective exhibition of the excavated structures against a backdrop of unobtrusive modern concrete buttresses relieved by green gardens.

Among the most arresting finds are a six-story stepped stone structure, built along the slope of the hill. Under this, Shilo found, veritably intact, houses of the Davidic Period, complete with pillars, plaster, and even indoor latrines. Signet rings and shards afforded precise dating -- and in some cases corresponded to actual Biblical names.

But the centerpiece of the archaeological park is without doubt Warren's shaft, the huge and eerie tunnel leading down, under the ground, from the City of David to a point deep within the bowels of the rock, whence the ancient Israelites could draw water from the Siloam, undetected by potential enemies.

The tunnel is named after an American naval officer and explorer, Capt. Charles Warren, who first discovered it more than a century ago. He entered it from below, that is from the Siloam, and managed to make his way through the accretion of silt and rubble almost till the top.

Subsequently, the shaft was once again clogged with rubbish and rubble, and Shilo and the Jerusalem Foundation employed South African mining engineers to help clear it, and an Alpine climber to transverse the vertical section from the Siloam to the place where the Israelites drew their water.

(The fact that the key stretch was narrow and vertical made the shaft ideally secure from enemy invaders.)

Shilo explained that modern geological research has proved the shaft was in part a natural formation -- coinciding as it does with the coming together of two different layers of rock. The upper layer is the more porous, and aeons of water seeping through it created a tunnel -- which engineers working for the kings of Judah later enlarged.

Now, the shaft is well lit and airy -- which does not detract from the visitor's sense of adventure. Access is through a restored Turkish house which the Jerusalem Foundation, under Shilo's meticulous guidance, has wrought into a small but fascinating museum of the entire excavation.

TWO FRENCH JEWISH OFFICIALS ARE APPOINTED TO CIVIL SERVICE POST

**PARIS, Aug. 8 (JTA)** -- Two Jewish officials, Claude Zilberzahn, 50, and Lucien Kalfon, 49, have been appointed to the highest ranking posts in the French civil service. The two were promoted to "prefects," the French equivalent of Governor which is in France a non-elective post.

Zilberzahn, a former aide to Premier Laurent Fabius, will serve as Prefect of Upper Normandy. Kalfon, a former aide to the State Secretary for Foreign Trade, will serve as Prefect of the Upper Alps.

Algerian-born Kalfon comes from a practicing Jewish family while Zilberzahn was born into an old Alsatian Jewish family. Both men have up till now kept away from foreign affairs and are not known to be members in any Zionist organizations.

CONGRESS MOVING TO RENAME STREET AFTER WALLENBERG

By David Friedman

**WASHINGTON, Aug. 8 (JTA)** -- Congress is moving to re-name the street which runs in front of the site where the U.S. Holocaust Memorial Museum will be located as "Raoul Wallenberg Place," in honor of the Swedish diplomat credited with saving 100,000 Hungarian Jews in Budapest from the Nazis during World War II.

The amendment to the District of Columbia Appropriation Bill, introduced by Rep. Bill Lowery, (R-Cal.), was adopted by the House last week. The Senate Appropriation Committee also approved the measure which Lowery said "virtually assures that the designation will take place." Wallenberg was captured by the Red Army on January 17, 1945 and is believed by many to be still alive in a Soviet labor camp.