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MODAI REPORTS EGYPT RAISES PRICE OF OIL FROM \$18 TO \$32 A BARREL

By David Landau

JERUSALEM, July 18 (JTA) -- Energy Minister Yitzhak Mordechai informed the Knesset's Economic Committee late yesterday that Egypt has just raised the price of its oil to about \$32 per barrel, up from \$18.50. He said the new price corresponded more or less to the spot market price at Rotterdam and indicated that Cairo may use it as a bargaining point in political negotiations with Israel.

When Premier Menachem Begin returned from his summit meeting with President Anwar Sadat in Alexandria last week, he announced a promise by the Egyptian leader to make Sinai oil available to Israel at the world market price after Nov. 26 when Israel hands over the Alma oilfields in western Sinai to Egypt. They are the last oilfields held by Israel in Sinai and, according to Mordechai's estimate, once they are relinquished, Israel will be dependent on foreign sources for 98 percent of its oil needs of approximately eight million tons annually.

Mordechai said he was gratified that the agreement with Egypt at least provides for the sale of oil to Israel "on a continuous basis." Meanwhile, gasoline lines formed all over Israel last night in anticipation of a major price increase. Motorists rushed to fill their tanks after learning that the Cabinet had gone into emergency session to discuss economic policy which could mean an imminent end to price subsidies on basic commodities including fuel. (See related story P. 3.)

ADDRESS BY 3 NEO-FASCISTS AT POLICE ACADEMY DRAWS PROTEST

By Henriette Boas

AMSTERDAM, July 18 (JTA) -- Interior Minister Hans Wiegel has rejected a protest by The Netherlands Auschwitz Committee against the appearance of three Dutch neo-Fascists before the Police Academy at Apeldoorn at the invitation of its student body.

The event, reported by the local press, took place in April during a seminar at the Police Academy on neo-Fascism. Invited to speak were Joop Glimmerveen, leader of the neo-Fascist "Nederlandse Volksunie," who discussed the aims of his party, and two representatives of neo-Fascist youth groups. Former resistance leaders and political figures also took part in the seminar.

The Auschwitz Committee sent a telegram to Wiegel protesting that the Police Academy provided a forum for Glimmerveen whose party was banned from participating in municipal elections. In the four largest cities in Holland last year, Wiegel replied, "Our democracy is based on the freedom of expression and is the stronger when it also allows those to express themselves who adhere to views which the large majority of our people firmly rejects."

He noted that in recent years the training of police has stressed that they must be prepared for their tasks on a wide basis as possible which means they must be acquainted with controversial movements that may cause trouble.

SIMONE VEIL IS FIRST ELECTED HEAD OF THE EUROPEAN PARLIAMENT

PARIS, July 18 (JTA) -- Simone Veil, a 52-year-old French-born Jewish survivor of Auschwitz, became the first elected President of the European Parliament yesterday. She won the office by a vote of 192-138 over her closest opponent, Italian Socialist Mario Zagari, at the newly-elected Parliament's inaugural session in Strasbourg. A champion of women's rights and liberal abortion laws, she had served for five years as Health Minister of France. In recent years, Mrs. Veil has consistently emerged from public opinion polls as the most popular public official in France.

The European Parliament, which comprises the nine member states of the European Economic Community (EEC), consists of 410 members. They were chosen last month by direct election in which 110 million Europeans of many nationalities cast ballots. Previously, members had been appointed by their respective national parliaments. The Parliament has limited powers and no authority over the governments of its member nations. It serves largely in an advisory capacity but does have a degree of influence on major issues confronting Europe.

Mrs. Veil was born in Nice, studied law after World War II and was employed by the French Ministry of Justice until named to the Cabinet of President Valéry Giscard d'Estaing. She resigned from the Cabinet last month after being elected to the European Parliament. Her mother died in Auschwitz and her father and brother were killed by the Nazis. Mrs. Veil bears her concentration camp number tattooed on her arm. The fact that she is a Holocaust survivor was said to have motivated many West Germans to vote for her although she was regarded as the personal candidate of Giscard.

CHANGES IN CARTER'S CABINET NOT LIKELY TO AFFECT MIDEAST ISSUES

By Joseph Polakoff

WASHINGTON, July 18 (JTA) -- The offers of resignation by President Carter's 12 Cabinet members, three Cabinet level members and 18 White House staff officials yesterday will not result in changes either among the top trio associated with foreign affairs nor other figures closely related to the Middle East and Jewish concerns.

Immediately upon the announcement of the mass decisions, first by the Cabinet rank-officials and shortly afterwards by the other leaders following their meetings in the White House, two decisions were understood to have been made.

The White House said the resignations of the President's "national security team" consisting of Secretary of State Cyrus Vance, Defense Secretary Harold Brown and National Security advisor Zbigniew Brzezinski would not be accepted by Carter.

It was understood that those to be retained also include Ambassador Robert Strauss, the President's hand-picked negotiator for the Middle East peace process; Andrew Young, his chief representative at the United Nations; and Edward Sanders, his liaison with the American Jewish community. Sanders has participated in all the Israeli-Egyptian negotiations as a member of the American representation, including the talks at Camp David last

September and the Cairo-Jerusalem-Cairo talks that resulted in the Egyptian-Israeli treaty last March.

Sanders is not on the list of resigned officials that was presented to reporters yesterday but he was in the White House's Roosevelt Room when the resignations were made and he joined them in the show of support for Carter that he is free to select a new team as if it were a new Presidential term.

However, Sanders is both a special advisor to Vance as well as to the President and while he has offices and staff personnel both in the White House and the State Department, he is on the Department's payroll and thus technically not a White House official. For that reason he was not listed.

It is considered highly unlikely that most of the other officials will be dismissed. Those about whom there is not the remotest suggestion of Presidential disappointment include Stuart Eizenstat, the assistant for domestic affairs and policy; Robert Ushutz, the President's counsel; Gerald Robinson, his communications assistant; and Anne Wexler, a political assistant.

Eizenstat, in fact, is being considered by some as having increased in stature with the President and is one of the tiny "in" group that includes only Hamilton Jordan, Carter's chief political strategist, who is now being described as the "chief of staff" at the White House, and Presidential News Secretary Jody Powell. Brzezinski, incidentally, is not listed as a Cabinet-level official although his influence at the White House in foreign affairs is pervasive. Strauss, Young and James McInyre, director of the office of management and budget, are the only non-Cabinet members who have Cabinet level rank, according to the White House list.

KLUTZNICK FEELS SADAT, BEGIN COOPERATING NOW MORE THAN EVER By Yitzhak Shargil

TEL-AVIV, July 18 (JTA) -- Philip M. Klutznick, president of the World Jewish Congress, who arrived here after visiting Egypt, said that from what he was told by President Anwar Sadat he had the "impression" that the Egyptian leader and Premier Menachem Begin "are cooperating now more than ever."

Klutznick, who travelled throughout Egypt on his 10-day visit, said that he found that not only the leadership but the Egyptian people wanted peace. The WJC president went to Egypt in response to a long-standing invitation from Sadat. He also held discussions with Vice President Hosni Mubarak, Prime Minister Mustapha Khalil, Presidential advisor Sayed Maeref, and Minister of State Mansour Hassan.

Much of his discussions with Egyptian officials centered on economic development, Klutznick said. He said he feels that the huge Egyptian development projects, especially in the Suez Canal area, are indicative of Egypt's real desire for peace.

While in Egypt, Klutznick met with Jewish leaders in Cairo and Alexandria. He also said that he met many American Jewish tourists while in Egypt. He said there has been increased Jewish tourism, especially from the United States, since the Egyptian-Israeli peace agreement was signed. Klutznick, who will be spending five days in Israel, will be discussing his impressions of Egypt during his scheduled meetings with Begin and other Israeli officials.

HIAS TO AID BOAT PEOPLE

NEW YORK, July 18 (JTA) -- HIAS has an-

nounced that it has doubled its commitment for the current year in assisting Indochinese refugees. Gaynor Jacobson, the organization's executive vice president, stated today that HIAS is prepared to receive and help in the resettlement of 6000 Indochinese, many of them boat people, instead of its original commitment for 3000.

He said HIAS provides the same assistance and services to the Indochinese as it does to Jewish refugees, including reception at the airport, clearance through immigration and customs and sponsorship by a relative, a community or agency. Jewish community agencies assist with housing, employment, health and any other problems that may arise.

BLUM SAYS SECURITY COUNCIL IS MANIPULATED BY ENEMIES OF PEACE By Yitzhak Rabi

UNITED-NATIONS, July 18 (JTA) -- Israel charged today that the Security Council, which opened a debate on its three-member commission's report on Israeli settlements in the administered territories, is being manipulated "by the enemies of peace."

Declaring that the report is "one-sided and distorted," Yehuda Blum, Israel's Ambassador to the United Nations, told the Council that the settlements "are only one aspect of the complex role, and any attempt to detach it arbitrarily from the wider context is a distortion of reality."

Blum explained that the overall context of the Israeli-Arab conflict is reflected in Security Council Resolution 242 which includes "the legitimate security requirements of the State of Israel, which are directly relevant to the question of settlements." He said this aspect was ignored in the commission's report.

In its recommendations to the Security Council the commission urged the Council to "launch a pressing appeal to the government and people of Israel, drawing again their attention to the disastrous consequences which the settlement policy is bound to have on any attempt to reach a peaceful solution in the Mideast." The report also recommended that "Israel should be called upon to cease on an urgent basis the establishment, construction and planning of settlements in the occupied territories."

The commission was established by the Council last March 22 after a complaint by Jordan and its members are representatives of Zambia, Bolivia and Portugal. Israel has not cooperated with the commission and when it visited the Middle East in June it did not allow its members to enter the country and the territories in question.

In his address before the Council today, Blum said that the commission's conclusions were determined in advance and the report accepts the views of "Israel's avowed enemies as though they constituted hard and objective evidence." At the conclusion of his speech, Blum declared that in view of the circumstances "Israel will have nothing to do with this debate, whatever its cause and outcome."

JERUSALEM (JTA) -- Defense Minister Ezer Weizman told West Bank Mayors Tuesday that he would not object to their receiving funds from Arab states -- provided those funds went towards "positive" municipal purposes and provided the Military Government gave its approval each time. Weizman made the point in conversations with the Mayors of Bethlehem and nearby Bet-Sahtur and Bet-Jallah, during a tour of Judea. Weizman, who is responsible for the military administration, also visited Hebron, meeting with Mayor Fahed Kawasme and with his predecessor, now old and ill, Mohammed Jabari.

POLITICAL UNREST FOLLOWS CABINET DECISION NOT TO ABOLISH SUBSIDIES ON BASIC COMMODITIES

By David Landau

JERUSALEM, July 18 (JTA) — Widespread political unrest within the coalition was felt today after the Cabinet decided, at a dramatic emergency session last night, not to abolish or drastically slash government subsidies of basic foodstuffs.

Calls for the resignation of Finance Minister Simcha Ehrlich were heard, even from within his own Liberal Party. There were also proposals among the Liberals that the party's four ministers resign from the Cabinet to protest the majority's refusal to undertake the economic measures that the Treasury feels are vital.

The opposition Labor Party and the Shai faction have submitted no-confidence motions in the Knesset. Their spokesmen are expected to argue that the Cabinet has demonstrated that it has lost power to control the economy and take decisions. One decision reached at the meeting was immediately implemented. The Commerce Ministry announced today a 60 percent rise in the price of frozen meat which is imported from abroad.

One kilogram of average cut frozen meat will now cost around IL 100, with variations depending on the precise cut. The price of gasoline is also expected to rise immediately by about 30 percent in accordance with last night's Cabinet decision.

The big challenge facing the ministers was the elimination of price support subsidies for such basics as bread, sugar, oil, chicken and milk products. A decision was postponed after it became clear that the Treasury's demands for drastic subsidy slashes would not win a Cabinet majority.

Decision Is Ridiculed

"It is perfectly justified for the Cabinet to hesitate, to wrestle with the problem," Premier Menachem Begin told reporters in defense of the Cabinet's decision not to decide. That decision was ridiculed as a "damp firecracker," "a mountain that has given birth to a mouse," and similar epithets by press pundits today. The entire nation was keyed up during the night to expect drastic price rises on the basic foodstuffs. Many of the press critics felt that this sense of expectation of the inevitable had now been squandered by the government's hesitancy.

Ehrlich explained after the five-hour session that his figures, submitted earlier in the day by Treasury economists, had been so Draconian that it was clear to him in advance of the Cabinet session that there was no chance of implementing the full program of subsidy cuts.

The Treasury figures showed, for example, that without the subsidy the price of bread would rise by 160 percent — from IL 2.50 for a regular loaf to IL 8.50. Similarly, removal of the subsidy on cooking oil would mean a 160 percent price rise, and elimination of the milk subsidy would confront consumers with a 121 percent rise from IL 5.10 a liter to IL 11.30.

"What will a family with five children do?" Begin asked when Ehrlich and his deputy, Yehezkel Flomin, showed him the figures shortly before the Cabinet session began. The Treasury has also prepared an elaborate system of "compensatory payments," through the cost-of-living mechanism and by additional child allowances and welfare payments, to ensure that the poorer sectors would not be too hard hit.

But Begin, and later the Cabinet majority, too, felt that despite the compensation arrange-

ments the measures would be too violent and too sudden for the economy to bear. Ministers and coalition MKs, however, are angered not only by the government's indecision but by the handling of last night's meeting. If Ehrlich realized in advance that the Treasury program in its present form could not be accepted, several coalition politicians asked, why did he not call off the dramatic emergency meeting?

Shlomo Lorincz, of the Aguda Israel faction, chairman of the Knesset Finance Committee, flayed the government for jolting the economy in this way. "You cannot call a dramatic nighttime meeting like this and then not decide to take action," he said.

Other critics among the coalition members spoke with less restraint. Likud Whip Pessach Grupper said he would "demand explanations" and hinted that heads might have to roll in order to assuage rank-and-file criticism.

Major Cabinet Reshuffle Likely

Indeed, the speculation in political circles here today was that a major Cabinet reshuffle is now very likely with Begin finally caving in to pressures to shunt Ehrlich aside.

One man who says openly that he wants Ehrlich's job is Laam boss Yigal Hurwitz, former Minister of Commerce who resigned after the Camp David accords. But political pundits say it would be hard for the Premier to give this prime power post to the representative of what is one of the weakest and smallest components of the Likud. Hurwitz himself told reporters today that he would be prepared to re-enter the Cabinet only if the Treasury were offered to him "because it is in the Treasury that economic policy is really decided."

The Liberal Party Central Committee is expected to convene tomorrow to discuss what its position is on economic policy at this stage and on Cabinet composition. Ehrlich told the party Knesset faction today that he was not considering resigning alone but seemed to indicate that he might not oppose the idea, advanced by a number of MKs, that the four Liberal ministers resign while the party remains in the coalition.

Meanwhile, the Israeli Pound dropped today to IL 26 to \$1.

ALIYA CENTER IN THE CATSKILLS

WOODBOURNE, N.Y., July 18 (JTA) —

Jewish residents and vacationers in this Catskill Mountains community have something new in their midst. An Israel aliya center was opened here last week in a storefront on Main Street and the center's spokespeople, Shifra Hoffman, executive director of Shuva, and Jay Shapiro, an emissary from Israel, have been busy buttonholing Jews with literature urging emigration to Israel.

According to Mrs. Hoffman, the center is being operated in conjunction with the Israel Aliya Department, the Jewish Agency and the North American Aliya Movement. The literature available at the center explains "everything you wanted to know about living in Israel, but were afraid to ask," she said.

The center, which shares the premises with the Jewish Identity Center, will show films and hold seminars and lectures throughout the summer. In addition, there is a Holocaust exhibit and literature dealing with the proliferation of hate groups and anti-Semitic activity in the United States. Mrs. Hoffman noted that in addition to the local Jewish population of some 200 an estimated 15,000 Jews vacation in the Woodbourne area.

BEHIND THE HEADLINES SOVIET ANTI-SEMITISM

By Joseph Polakoff

WASHINGTON, July 18 (JTA) -- The co-chairmen of the U.S. Commission on Security and Cooperation in Europe have strongly condemned the latest manifestations of anti-Semitism in the Soviet Union as "alarming" and a "virulent campaign."

Rep. Dante Fascell (D. Fla.) who heads the panel that monitors compliance with the Helsinki agreement signed by 35 nations including the Soviet Union, and Sen. Claiborne Pell (D. R.I.), the co-chairman, issued separate statements assailing the Soviet propaganda against Jews.

"Soviet anti-Semitism, in both official and unofficial varieties, has taken a new and unsettling form" and the "official campaign in the press in books, and in propaganda has been particularly intense this year," according to news reports from Moscow.

An exhibition of paintings last winter by the official Soviet painter, Mikhail A. Savitsky, in Minsk included a canvas that showed a heap of naked Russian corpses in a concentration camp. Grinning sadistically at each other as if pleased with the grisly scene was a helmeted Nazi officer and a prison camp trustee depicted as a Jew wearing a Star of David. The painting, entitled "Summer Theater," was part of a collection showing Nazi brutalities during the Nazi occupation of Russia.

Officially Sanctioned Campaign

"The recent reports of increased anti-Semitism in the Soviet Union is alarming," Fascell said. "It is clear that this latest surge is not solely an expression of spontaneous popular feeling but rather an officially sanctioned campaign. Soviet authorities have encouraged this vituperative sentiment by allowing the publication and exhibition of blatantly anti-Semitic literature and art work. Such actions are to be strongly condemned."

Noting that some of the anti-Semitic material currently being circulated in the Soviet Union contains accusations reminiscent of the notorious Protocols of the Elders of Zion, Pell commented: "If this virulent campaign is an attempt to discourage Jews from emigrating, Soviet authorities may find their scheme backfiring as the rising number of those requesting invitations from their Israeli relatives indicates more and more Soviet Jews are trying to leave. Surely, many view emigration as the only way to escape this pervasive anti-Semitism."

The rise in anti-Semitism comes at a time when the Soviet government is allowing a record number of Jews to emigrate on Israeli visas. The two developments -- a rise in anti-Semitism and a rise in emigration -- have prompted several theories.

The heightened emigration is attributed here and in Moscow as the Soviet government's form of "assurances" to the Carter Administration of compliance with the Jackson-Vanik Amendment, and therefore the USSR is entitled to U.S. trade benefits.

The rise in anti-Semitism is also seen as related to the emigration climb but on the ground that elements in the Soviet government wish to get rid of as many Jews as possible because they are considered a potential "fifth column" in the event of war with the West.

In this connection, an outpouring of official "anti-Zionist" books and unofficial Russophile

denunciations allege that harmful Jewish influences are within the politburo itself although Jews long ago ceased to have any participation there.

"A principal ingredient" in the anti-Semitism "appears to be the careful balancing act regarding Jewish emigration forced on the Kremlin," according to a report received here. "While seeking to placate the United States to gain better trade terms by raising Jewish emigration, the Soviets also must please their Arab allies who staunchly oppose the strengthening of Israel which emigration can earn for the Jewish State."

While anti-Semitic books and other media has grown continuously in Moscow since the Six-Day War, it is reported, new additions have emerged in recent months. Officially they are labeled anti-Zionist since Soviet officials reject the view that anti-Zionism means anti-Semitism. "But to many Soviet Jews it is a distinction without a difference," the report says.

Proliferation Of Anti-Zionist Material

The Soviet Academy of Sciences early this year published 100 copies of a book entitled "The Ideology and Practice of International Zionism." It attacks Judaism as a religion and alleges "Zionist centers" control Western media.

Another publication, by Yevgeny S. Yevseyev, entitled "Zionism in the Chain of Imperialism," calls Zionism "the worst form of fascism, the most dangerous of all fascist forms."

For many Soviet Jews, the current anti-Semitic campaign was signaled early this year with publication by the official "Jurists Publishers" of 15,000 copies of "The White Book" of "evidence, facts and documents" that tries to link "Zionists" in the Soviet Union to U.S. intelligence agents.

"Jewish parents say this overt anti-Semitism is bolstered by hidden but ever rising barriers against their children in universities," the report said.

"They say only a handful of young Jews are now admitted to science and mathematics faculties at prestigious Moscow State University and institutes of higher learning where Jews have traditionally excelled. The parents say such impediments are more severe now than at any time since the early 1950s. That was the closing period of the Stalin government."

CJC TO SPONSOR 1000 BOAT PEOPLE

By Michael Solomon

MONTREAL, July 18 (JTA) -- The Canadian Jewish Congress has decided to sponsor the resettlement of 1000 Vietnamese boat people beyond the 8000 refugees the Canadian government has accepted for immigration, it was announced by Rabbi W. Gunther Plaut, president of the Congress. The process of resettlement, he said, will be a cooperative effort by Jewish communities throughout Canada. Local communities, synagogues, organizations and individuals are being urged to sponsor immigrants.

Martin Penn, coordinator of the project for the Congress, said the number of refugees involved represents "a few people in comparison with the real dimension of the task but it is a realistic project within our grasp." The Congress will also contribute \$10,000 toward direct relief aid and will approach leaders of the non-Jewish community to intervene with the Canadian government to admit more boat people into the country. In addition, Jewish immigrant aid organizations are prepared to provide technical assistance, expedite employment and promote adoption and foster care.