



THE JACOB RADER MARCUS CENTER OF THE
AMERICAN JEWISH ARCHIVES

MS-763: Rabbi Herbert A. Friedman Collection, 1930-2004.

Series H: United Jewish Appeal, 1945-1995.

Subseries 1: Sermons, Speeches and Writings, 1949-1982.

Box
23

Folder
36

Speech notes. 1971.

For more information on this collection, please see the finding aid on the
American Jewish Archives website.

1. Six-Day War was won - but victory has not yielded its fruit. We cannot get peace.
2. We are told to compromise, in order to get it. We don't believe in that. The issue of survival is not compromiseable. They want to cross the Canal. We say no. Do they want to cross halfway? That's a compromise.
3. We are told to depend on the guarantees of others - Big Four, Big Two, ^{and} Big ^{one} Hundred + Thirty. This is nonsense.
4. Can we hold out? This depends on our power. Power is Phantoms and schools, tanks and day nurseries. Battle front and home front support each other.

From HERBERT A. FRIEDMAN

5. We live as an intricate symphony is composed - with 3 Themes interwoven, playing in fugue fashion - with war, immigration, and poverty constantly interplaying. We must ~~not~~ spend money for war, as though there were no poverty to worry about; and we must spend money fighting poverty, as though there were no war to worry about; and we must spend money to take in immigrants as though there were neither of the other two problems to be concerned about.
6. Should anyone question this, let me tell you two simple case histories which came to my attention in past few days:

From HERBERT A. FRIEDMAN

A. Poverty - story of Israel Menachem

B. Immigration - story of Esther Limovski

~~7. We are alone~~

7. Power depends on support. Support is only from Jewish people. We are alone. No bloc - no regional alliance - no other country has our language or religion. This is not paranoid. We are simply unique.

8. Power consists of conviction and compassion, by Jews ~~in~~ every front in world - LONDON + LOS ANGELES alike.

From HERBERT A. FRIEDMAN

The grandeur and glory of
the dream of this place sustains
us on a level of mystic
expectancy. This is the far vision,
of an Israel glowing like a golden
temple -

The present reality is that
of much more hard struggle ahead.

Jews are hardly beginning
to learn to share with Israel.
We are only beginning - and some
talk of tiredness. Tired of what?
of living? All life is a struggle to
keep going.

The leadership of Israel is magnificent
in people's morale and willingness
to endure is unparalleled.

With such leaders & such
followers - this country will survive -
and flourish - to the eternal glory of every man
here

HAF

Briefing notes on Housing Problems

Excerpted from a speech by
Minister Sharef

• ca. July 71

- a) We deal with housing for immigrants.
We have 1500 empty flats - that is the total reserve.
We are also preparing land, roads, etc. for 5000 units
which would enable us to have finished houses in eight months.
We want an additional 5000 next year and the following year.

We need 9000 units next year.

- b) Newly married

In 1967 16,000 couples, previously unmarried.

1968	17,500
1969	19,500
1970	23,000

Marriages among Orientals are growing, by 1975 45% of all marriages will be second generation Orientals.
What a problem if we don't have housing for them.

- c) The rise in cost of housing has been 40% in three years.
*Part of this is rise in cost of land; part increased profit;
part shelter (10% of cost of house)*
- d) Poor families in cramped quarters.
15-20,000 homes with four per room
Another 20,000 homes with 3 per room.

Background Notes for 1972 UJA Campaign

Keep the Promise

to God (Covenant)

to Russian Jews

to the People of Israel

Fulfill the promise

1. Defense expenditure will be increased - purchase and long term research (with Know how available).
2. Immigration will be more costly.
3. Education must be increased.
Pre-kindergarten is not a luxury - but a necessity.
4. Housing must be increased.
5. Poverty must be fought - this is our second war.*

* "Nobody is hungry; children don't run around barefoot; nobody lives out in the open. But after that, the situation with thousands of families is unbearable!"

Golda

Poverty Briefing

Excerpted from a speech by Mr. Louis A. Pincus
Chairman of the Jewish Agency

31 Aug 71

The Russians have delivered \$4 billion worth of equipment to Egypt.

<u>Year</u>	<u>\$ spent on defense</u>
1967	600 million
1968	800 million
1969	1000
1970	1700
1971	2000
1972	more

We face 1972 with the greatest political dangers ahead.

In 1960 - 30% of what was left after defense was spent on social services.

1965 - 40%

1970 - 44%

So we did not neglect it - nor were we unaware of it. We constantly try to spend more money on the underprivileged, but we simply never had the money to do the full job.

Poverty line in Israel is \$24 per person per month, at that level we have 60,000 families.
1/4 million souls - 10% of the Jewish population is below the line.

If we do not work on this problem, there will not be a second Israel but a forgotten Israel. These people will slump into despair.

We will never say Aliyah vs. Poverty
We will never abandon immigration or we abandon statehood.
We will do both or go down.

Briefing notes on Defence Problems

Excerpted from Defence Minister
General Moshe Dayan

July 71

Conflict between Arabs and us is much deeper than ever before.
1948 ended with an armistice.

1956 was more isolated - only Egypt and Canal.

1967 we are at war with all Arab nations on all subjects.

Arab leadership is extreme.

Russian presence is difficult.

Now they would liquidate us, that was not true in 1948.

In long term planning (ten years) we must think and prepare.

We must produce a plane beyond the one we are now working on.

We are working on planes, tanks, some kinds of missiles and other things.

The United States is very helpful with know-how on production.

Briefing Notes

July 71

Golda

- 1) Is it logical to have a year of cease-fire, plus an increased defence budget ?

Sadat threatens, we must be prepared.

- 2) We must fight our second war - poverty.
- 3) We must maintain and increase immigration.

Moshe Dayan.

Even if cease-fire goes on, and even if negotiations go on, we must still produce our own tank and plane - and this costs money.

Russian Immigration

A Russian must pay 900 rubles or \$1000 for an Exit Visa, per person.

It is rumoured that it will be raised to 4000 rubles, or \$4,500.

I had everything in the Soviet Union, but I was a privileged slave among slaves.
I was deprived of my human freedom and my Jewish identity.

I was arrested twice.

Don't say "LET MY PEOPLE LIVE",
they can't live in the Soviet Union
Say "LET MY PEOPLE GO".

Professor Zand.



CONFIDENTIAL

Not for distribution
in any form.

For your use only.

THE PRICE OF DEFENCE

HISTORIC SURVEY AND FACT SHEET

Almost 15 months of cease fire have - apart from saving many lives on both sides of the Suez Canal - enabled both forces to become much stronger than they were at the beginning of August 1970. Furthermore, the sophistication, and therefore the price, of the additional equipment grow almost daily.

I. SOVIET SUPPORT TO EGYPT, in arms and men, on operational duties, as well advisory, has increased continuously since January 1970.

1) Soviet arms and equipment supplied to Egypt since the Six Day War - whether given as outright grants, as replacement for destroyed material, or sold on long term favorable credit terms - total at least \$2 billion, 300 million.

2) Soviet Personnel - nobody really knows exact numbers, but with full MIG operational squadrons, SA-2 and SA-3 missile sites, radar installations, plus all previously known advisors, there are at least 15,000 Russians in Egypt.

3) Soviet Missiles and Anti-Aircraft

(a) The Russians have become deeply involved in Egyptian air defence. They have brought about 40 SA-2 batteries (6 launchers each); also a number of SA-3 batteries (4 launchers each - with 2 missiles to each launcher) into the area close to the Canal. The missile sites are interspersed - SA-2 and SA-3 covering each other. They have also brought fighter squadrons to airfields close to the Canal.

(b) With the missiles in their present position the Russians pose a great threat to Israeli planes flying over the Canal. After inflicting serious losses upon the Israeli Air Force, they will move artillery forward and hammer Israeli ground defenses, make it hard to rebuild, cause many casualties, and finally try to cross. Even to take only a few kilometers on the east bank of the Canal would be worthwhile for them.

(c) Israel has some electronic and other defenses against the Russian missiles. Several Phantoms were lost last year owing to these missiles. Each missile costs approximately \$ 100,000 and the Russians have been known to fire as many as 60 on one day - or \$ 6 million worth.

II. EXPANSION OF ARAB MILITARY STRENGTH

- 1) The Israeli forces are vastly outmanned and outgunned by the Egyptians.
- 2) Syria maintains an army of 60,000 men in the area between Kuneitra and Damascus (approximately 40 miles) with more than 1,000 tanks, which was larger than the entire Egyptian force in the Sinai desert threatening Israel in May 1967.
- 3) Arab aircraft - fighters only:

	<u>At end of Six Day War</u>	<u>Today</u>
Egypt	50	600
Syria	45	260
Jordan	0	40
	<u>95</u>	<u>900</u>

- 4) Arab Tanks:

	<u>At end of Six Day War</u>	<u>Today</u>
Egypt	300	2000
Syria	350	1200
Jordan	100	500
	<u>750</u>	<u>3700</u>

III. ANALYSIS OF ISRAELI DEFENCE

- 1) The original defence budget for 1967 (year of actual war) was IL 1.25 billion (approx. \$ 300 million). The defence expenditure for 1970 was IL 5.55 billion (approx. \$ 1.32 billion) - or slightly more than 4 times as much as the year of the Six Day War.

The 1971 expenditure will be IL 7.04 billion (or \$ 1.68 billion) - or more than 5 times as much as the year of the Six Day War.

The 1972 budget is under discussion now.

2) History of the defence budget:

<u>Year</u>	<u>Defence budget</u>	<u>Indirect Expenditures</u>	<u>Total Defence Expenditures</u>	<u>Defence Expenditure as % of GNP</u>
	<u>million IL</u>	<u>million IL</u>	<u>million IL</u>	<u>%</u>
1966				11
1967	2,140			16
1968	2,910			19
1969	3,570			21
1970 (original)	4,160			23
1970 (final)	5,000	550	5,550	27
1971 (original)	6,400	640	7,040	27

3) The causes of the huge defence expenditures are:

(a) The rapid expansion of enemy forces:

	<u>Prior to Six Day War</u>	<u>At Present</u>	<u>Expected in 1973</u>
Armour	100 %	190 %	300 %
Air Force	100 %	220 %	395 %

In addition there has been an enormous growth of artillery and other sophisticated equipment.

(b) The rising cost of military hardware, as illustrated below:

<u>Tanks</u>	<u>Approximate \$</u>
Shermans	70,000
Centurion	165,000
Modern tank	340,000
<u>Aircraft</u>	
Ouragan	0.125 million
Mirage	1.3 million
Phantom	5.8 million

(c) Costs of activating the aircraft are tremendous. For instance, hourly costs of flight of the above mentioned planes are as follows:

Ouragan	IL 1,800 per hour (\$500)
Mirage	IL 3,800 per hour (\$1100)
Phantom	IL 7,200 per hour (\$2100)

- (d) Costs of training pilots to fly the above types of aircraft are considerable. As the planes become ever more sophisticated these costs rise steeply, as shown below:

<u>Aircraft</u>	<u>Pilot training cost</u> (million IL)
Ouragan	0.6 (\$170,000)
Mirage	0.8 (\$230,000)
Phantom (IL 1.6 million each for 2 pilots)	3.2 (\$900,000)

4) Current developments and their impact on defence costs.

The Arabs are arming very rapidly and continue voicing their threats almost daily. Egypt, Syria and Libya signed a Federation agreement and proclaimed a return to the policy of Khartoum, namely, "No peace, no negotiation and no recognition of Israel." In the face of this development Israel must be prepared more than ever for these contingencies.

It is therefore necessary to:

- (a) strengthen fortifications on all fronts;
 - (b) increase inventories of air bombs, heavy and light ammunition, spare parts, etc.;
 - (c) in general to build up Israel's strength, so that the Arabs will be deterred from breaking the cease-fire, or if attacked Israel must be capable of meeting the possibility of all out war.
- 5) The present 1971/72 budget calls for the import of approximately \$ 850 million worth of arms and supplies. This includes Phantom and Skyhawk planes, tanks, heavy guns, troop carriers, anti-aircraft, hawk batteries and other sophisticated equipment.
- 6) The arms must be paid for. The U.S. Congress did act affirmatively upon President Nixon's request and \$ 500 million were allocated for the fiscal year 1971 to provide credits to finance Israel arms purchases from the U.S. Government. The credits were fully utilized leaving an unpaid balance of about \$ 175 million. These are credits not grants and must be repaid by Israel.
- 7) In the face of the continuing Arab military build-up and because of increased indebtedness Israel has no choice but to ask for additional support from the U.S. including grants. For the fiscal year 1972 Israel has requested a loan of \$ 300 million and a grant-in-aid of \$ 200 million since, despite all assistance in dollars from our regular sources, we will still have a very substantial, unmanageable deficit. Israel's requests for 1972 are still under review.

In this connection it must be noted that Israel's foreign currency debt, which is a heavy mortgage on the next generation, will reach \$ 3.4 billion by December 31, 1971 and the debt per capita will be almost \$ 1,400, the highest in the world.

In 1971, \$ 300 million of principal as well as \$ 200 million of interest have to be paid to service the external debt alone.

IV. ISRAEL BUDGET

The government budget, currently in operation, covers the fiscal year 1971-72 (ending March 31, 1972).

EXPENDITURES

<u>Item</u>	<u>Amount in \$ Billion</u>
Defense	\$ 1,715
Welfare Service	428
Economic Development	452
Other Services, reserve	309
Debt Service	696
	<hr/>
	3,600

INCOME

Tax Revenue	2,100
Internal Loans (purchases of Bonds by individual Israelis and banks) and miscellaneous	715
External Loans (overseas banks and institutions; sales of Israel Bonds abroad)	785
	<hr/>
	3,600



V. BALANCE OF TRADE (Goods and Services)

Calendar Year 1/1 - 12/31

<u>Year</u>	<u>Imports</u>	<u>Exports</u>	<u>Negative Balance</u>
1966	\$1.3 Bil.	\$.9 Bil.	- .4 Bil.
1967	1.4 "	.9 "	- .5 "
1968	1.8 "	1.1 "	- .7 "
1969	2.2 "	1.3 "	- .9 "
1970	2.6 "	1.4 "	-1.2 "
1971	3.0 "	1.6 "	-1.4 "
1972	3.2 "	1.9 "	-1.3 "

Defense Share in Imports

<u>Year</u>	<u>Total Imports</u>	<u>Defense Items</u>	<u>P.C. of Total</u>
1966	\$1.3 Bil.	\$.2 Bil.	15.4
1967	1.4 "	.4 "	28.6
1968	1.8 "	.4 "	22.2
1969	2.2 "	.5 "	22.7
1970	2.6 "	.8 "	30.8
1971	3.1 "	.9 "	29.0
1972	3.2 "	.9 "	28.1



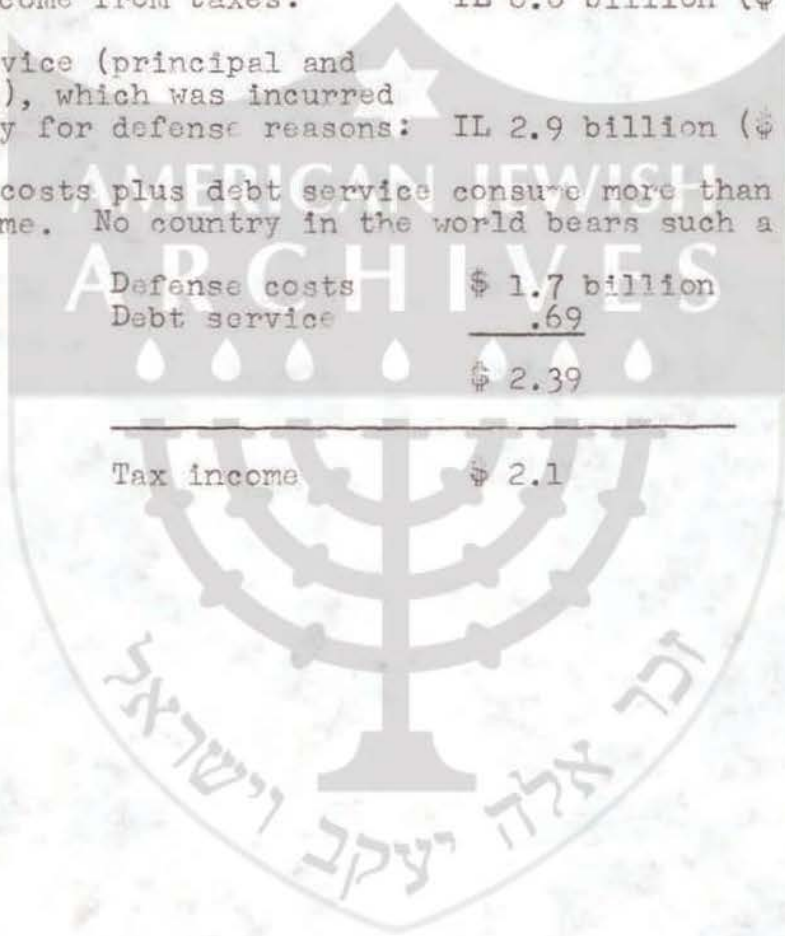
VI. FINANCIAL FACTS

1971/72

- 1) Israel Government budget IL 15.1 billion (\$ 3.6 billion)
- 2) Defense costs, direct plus indirect IL 7.04 billion (\$ 1.68 billion)
- 3) Defense, as % of total budget: 47 %
- 4) Total income from taxes: IL 8.8 billion (\$ 2.1 billion)
- 5) Debt service (principal and interest), which was incurred primarily for defense reasons: IL 2.9 billion (\$ 690 million)
- 6) Defense costs plus debt service consume more than the entire tax income. No country in the world bears such a burden.

Defense costs	\$ 1.7 billion
Debt service	.69
	\$ 2.39

Tax income	\$ 2.1
------------	--------



SUMMARY

- A. Expenditures. Total defense expenditures command 47% of the entire budget, 81% of tax revenue, and 27% of GNP. Defense expenses - \$ 1,715 Billion, are twice as large as the combined total expenses for Welfare Services (\$ 428 Billion) and Economic Development (\$ 452 Million).
- B. Income. The burdensome heavy Israeli taxes (\$ 2.1 Billion) provide 58.3% of the income, whereas internal and external loans (\$ 1.5 Billion) - 41.7% of the total State revenue.
- C. Dollar Reserves. Israel's dollar reserves shrank (1971) to a dangerously low level of \$ 350-400 Million - equivalent to 6 weeks of imports.

CONCLUSION

In the fiscal year 1971/72 Israel's defence costs are five times more than they were during the year of the Six Day War.

If the de facto cease fire on the Suez Canal is maintained, defence expenditures will increase only marginally, because of the Arab arms build-up, and the need to purchase sophisticated equipment from the United States.

The Israeli citizen, bearing the heaviest tax burden in the entire world, will produce just enough revenue to cover the defence costs, and not enough to cover debt service. As immigration continues at an annual rate of 40,000 to 50,000, the full responsibility of the philanthropic burden as well as the financing of the economic development of Israel must be met by the free world Jewry.

To enable Israel to stand firm against Arab intransigence; to bolster Israel's economic growth; it is vital that higher goals be reached in 1972.

Nov.
r 1971.

THE JEWISH AGENCY FOR ISRAEL

BUDGET OF NEEDS 1972-73

(000 ₪)

	1971 - 1972 Budget		Proposed budget of needs for fiscal 1972
	As passed at beginning of budgetary year	After deductions arising out of cash estimates	
<u>GRAND TOTAL</u>	<u>572,130</u>	<u>337,416</u>	<u>645,000</u>
IMMIGRATION & ABSORPTION	35,912	35,287	46,750
SOCIAL SERVICES	36,744	36,744	54,750
HEALTH SERVICES	72,674	32,674	79,575
EDUCATION	50,555	37,631	52,870
HIGHER LEARNING	82,554	82,512	88,000
YOUTH CARE AND TRAINING	22,471	11,893	30,870
ABSORPTION IN AGRICULTURAL SETTLEMENTS	42,360	30,931	52,050
IMMIGRANT HOUSING	192,969	83,179	198,370
GENERAL ADMINISTRATION	2,722	2,721	3,165
OTHER ITEMS	33,169	33,844	38,600

IMMIGRATION TO ISRAEL 1948 - present

1948 May 15 - Dec. 31	101,828
1949	239,076
1950	170,241
1951	175,095
1952	24,369
1953	11,326
1954	18,370
1955	37,478
1956	56,234
1957	71,224
1958	27,082
1959	23,895
1960	24,510
1961	47,638
1962	61,328
1963	64,364
1964	54,716
1965	30,736
1966	15,730
1967	14,327
1968	20,544
1969	37,804
1970	37,900
1971	29,864 thru September
1972	(50,000 projected)
	<hr/>
	1,395,679



AMERICAN JEWISH
ARCHIVES

זכר אלה יעקב וישראל

IMMIGRATION FROM USSR

1968		227
1969		3,033
1970		999
1971	January	108
	February	69
	March	638
	April	1,575
	May	1,043
	June	1,123
	July	661
	August (provisional number)	<u>500</u>
		<u>5,717</u>
		<u>9,976</u>

To judge according to the issue of exit visas in the USSR in the last few days, there is all the reason to believe that in the coming two months there will be at least between six to seven hundred a month.