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HERBERTIA. FRIEDMAN
H10/70
Written but
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AMERICAN JEWISH ARCHIVES

Reisonal Letter

The longer the war goes on, the clearer it becomes to everyone that the immediate danger to the people of Israel lies not on the field of battle, even though the price in casualties is cruel; nor in the field of international diplomacy, even though the pressure from many states is heavy; but in the field of economics and finance. Vulnerability on this front may more than vitiate strength on other fronts. If the Jewish people the world over understands this fact, the danger will be averted. If not, disaster might loom ahead.

I should like, therefore, to devote this letter in detail to some of the economic and financial problems involved; to point out dangers and difficulties; suggest ways to be helpful; and in general focus attention on the fact that this is the critical area for concern. Before doing that, let me review quickly some of the new salient information concerning the military situation.

### RUSSIAN MISSILES

The very recent delivery by the Soviet Union to Egypt of SA-3 type surface-to-air anti-aircraft missiles has created a new situation. These missiles are solid-fuelled, which simplifies maintenance problems; are about 20 ft. long; are fired from mobile launchers (like the American Hawk), thus eliminating the need for elaborate facilities; can be shifted from one area to another and hidden, even underground, with relative ease; are effective against low-flying aircraft. They have a combat range of about 12 miles horizontal and about the same in maximum altitude. The warhead end of this two-staged missile probably has a top speed of Mach 4 (around 2500 m.p.h. - depending on altitude), and is exploded either by proximity fuse or contact. They are called by the Nato code name GOA, were unveiled by the Russians for the first time in 1964, have been entrusted only to the closest of Soviet Allies and require the presence of Soviet instructors and technicians.

It would appear that enough missiles have been sent to Egypt in the past few weeks to require an additional 1500 Russian personnel for their rapid deployment and use.

Israel's policy has been to attempt to prevent their installation, at least within a 15 mile-wide strip along the Egyptian side of the Canal. The missiles are being installed around Cairo, Alexandria and the Aswan High Dam, and the Israeli tactic is to ignore these sites, but to concentrate rather on prevention in the Canal Zone. It would appear that most of the Egyptian SA-2 sites have been destroyed by low level bombing, (they are effective only above 400 ft.) or their radar has been rendered ineffective. At any rate, Israeli aircraft have been able to fly over the Canal Zone area for some months now and to destroy Egyptian artillery positions which had previously taken a heavy toll of casualties. Since Israel has had air superiority, casualties from Egyptian ground fire have dropped markedly.

These SA-3's represent the Soviet-Egyptian response to the successful destruction of the SA-2's. If the SA-3's are allowed to be installed, so that Israeli flights are again interfered with, the Egyptian artillery offensive, with its quantitative superiority, could once again be resumed. It is obvious that the SA-3's, at least along the Canal, must be destroyed, and this process is now going on.

Gen. Haim Bar Lev gave an interview to Time magazine last week. He said:
"One should not fall for the illusion that the SA-3's are defensive. They are
being installed to give Egypt an offensive capacity. Once these missiles are
installed, Egypt will feel freer to do whatever she wants."

When asked if he would be careful about bombing missile sites where Russians might be concentrated, he said: "Along the Suez Canal I don't care who is manning the weapons. Air superiority along the Canal must be ours. The most severe aspect of the problem is the Sovietization of Egypt. Soviet troops will be operating weapon systems." Moshe Dayan concurs with this by pointing out that a great change is taking place. Previously the Russians advised, whereas today they

have operational responsibilities. He feels this is a matter of very grave concern. He hopes Russia will differentiate and not place their soldiers on the Canal. "I hope and I am certain," he said to a recent student meeting, "there will be no war between Russia and Israel. I don't want us to kill Russians and I don't want Russians shooting at our planes." He said Israel would not bomb Egypt's main cities or Aswan Dam, to avoid entangling Russia further against Israel. He said Egypt and Syria had lost 105 planes since the Six-Day war (85 and 20, respectively) and that Israel had lost 20 planes on all fronts.

Parenthetically, a report in the Washington Post that the nine Egyptian MIG-21's shot down by Israeli jets over the Suez Canal last week were piloted by Russians, was denied by an Israel army senior officer.

And so it would appear that the war of attrition, as Egypt calls it, or the struggle to maintain a cease-fire, as Israel calls it, will go on for some time.

No one expects an early end. Long endurance is required.

Thus we return to the subject of economics as we started. Listen to Dayan's equation of war and money. In answering a question at a students! forum on 6 April on how long Israel can keep up, he said: "By itself, Israel as a nation of  $2\frac{1}{2}$  million cannot hold on alone. I hope that American Jewry and Israel together can carry the burden." Dayan added that in World War II England, France and Russia all required U.S. aid because none of those great powers could stand the economic burden by themselves.

The 1970-71 government budget totals ten billion Israel pounds (\$2 billion 857 million), is the largest in the history of the State, and exceeds the previous year by 20%. The following are rounded-off figures:

	EXPENDITURE	INCOME	
Israel pounds	ALL OTHER	FOREIGN	Israel pounds
4 billion	ITEMS	LOANS	2 billion
(\$1,143,000,000)	40%	20%	(\$571,500,000)
	NEW BIN	位列四部自	
	DEBT	NATIONAL	
1.9 billion	SERVICING	LOANS (Banks, etc.)	2 billion
(\$543,000,000)	19%	20%	(\$571,500,000)
	DEFENSE	TAXES	
4.1 billion	The second second	and	6 billion
(\$1,171,000,000)	41%	LOANS 60%	(\$1,714,000,000)
10 billion (\$2,857,000,000)		TOTAL	10 billion (\$2,857,000,000

### EXPENDITURE SIDE

TOTAL

- a.) The amount budgeted for defense is  $3\frac{1}{2}$  times the amount spent before the Six-Day War.
- b.) Debt service and repayments keep increasing, as the national debt increases. This occurs because larger borrowings are required every year to balance the budget.
- c.) "All other items" consists of all social services, education, development, transport, plus immigration and absorption, including housing.

#### INCOME SIDE

- a.) The revenue from all taxes, duties, excises, direct and indirect, plus compulsory loans, is estimated at IL 6 billion (\$1 billion 714 million) which is 50% more than the previous year. This indicates how heavy the tax burden has become.
  Tax revenue may actually be over-estimated at the IL 6 billion especially if there is some set back in the economy.
- b.) 40% of the budget must be met by borrowings half from internal sources (banks, insurance companies, pension funds, public debentures) and half from foreign sources (governments, international institutions, and banks).

### JEWISH AGENCY ROLE

The Government budget does not tell the whole story, for there is a tremendously significant role played by the Jewish Agency in the absorption of the 60,000 immigrants expected this year. The 1970 Agency budget is \$332,000,000, supplied mainly by philanthropic funds of the UJA in the United States and the Keren Hayesod in the rest of the free world. These funds are used to aid immigrants, from the moment they leave their country of residence, to transport them to Israel, and then to process them through the early difficult days of adjustment and integration.

Special absorption centers have been established in various parts of the country, to provide residence for whole families for as long as six months, during which the breadwinner learns some Hebrew so that he can earn his living, and the other family members learn about their new country in school and in practical classes. On a twice-yearly turnover, these centers have room for almost 25,000 persons. The total cost is in many millions.

The Agency administers not only this, but also provides education, vocational counselling, a revolving loan fund for people to start small businesses, and most important, large numbers of housing units involving scores of millions

of dollars. And in these days of war and huge defense expenditures, the Agency has been assuming more and more of the social services, including tens of millions for higher education.

It is quite clear that more and more philanthropic money will be required to keep the doors of immigration open, the channels of absorption into Israeli society open, and the quality of that society's human services as high as our Jewish standards demand. The pre-Six-Day-War UJA produced \$70 million - the post-war UJA (including the Emergency Fund) is producing 3 times that amount - and it is not enough.



### FORECAST

The Economic Planning Authority of Israel issued a statement two months ago forecasting developments for 1970. They said, in essence:

- A deceleration may be expected during 1970 in the rapid growth
  of economic activity. The gross national product will increase
  by approximately 9%, as compared with increases of 14% in 1968
  and 12.5% in 1969. There may be some unemployment later in the
  year.
- Private consumption will expand less than in previous years;
   because there will be less disposable income, especially in the second half of the year. The standard of living will not rise in 1970, and may even become somewhat lower.
- Public consumption will expand at a much faster rate than previously, due to the big increase in defense expenditure.
- 4. The rate of expansion of gross investment will be substantially slower, following the very rapid growth of 1968 and 1969.
  Investments in housing and industry will continue to expand, but in other economic sectors there will only be a small increase.
- There will be a deceleration in the growth of commodity imports.
   This represents some belt-tightening.
- 6. Commodity exports will increase at approximately the same rate as last year - and service exports such as tourism will increase much more than last year.

### ECONOMIC POLICY

The Ministry of Finance has stated its official position for 1970 as follows:

"In the Government's view the main problem facing the Israeli economy is the deficit in the balance of payments and the decline in the foreign currency reserves and the higher debt burden. The economic policy will be geared to solving these problems. The main goals of this policy will be:

- 1. Rapid increase in GNP
- 2. Increase of the profitability of exports
- 3. Restraint of private consumption
- 4. Maintenance of economic stability
- 5. Maintenance of present level of social services

### THE HARD CURRENCY PROBLEM

Since it is agreed that this is the main problem, we should really look at it in detail. What causes the big gap in the balance of payments? Basically it is two things - the imports for defense needs, and the imports for consumer needs. In the years before the Six-Day War, Israel was making valiant efforts to close the gap. She worked very hard to increase her exports, in order to bring them up to imports, so there would be an even balance. By 1966, the figures looked like this:

Imports \$1, 270,000,000

Exports 830,000,000

Deficit \$ 440,000,000 (of which \$150 million was for defense)

For 1970, the figures may look like this:

Imports \$2,450,000,000

Exports 1,350,000,000

Deficit \$1,100,000,000 (of which \$650 million is for defense)

The imports have doubled in these few years - largely due to defense needs. With the most herculean efforts, the exports could not double or triple, which would have been necessary to close the gap. The exports did go up - but not enough. Defense costs went up fantastically. A fully-equipped fighter aircraft in 1966 cost \$1,300,000. A fully-equipped fighter aircraft in 1970 costs \$6 million. A 1966 tank cost \$50,000. A 1970 tank costs \$300,000.

As a consequence of this gap, the foreign currency reserves of Israel keep dwindling, for when it is necessary to pay for certain defense items in hard currency, and when the export earnings plus capital import are insufficient, the reserve must be invaded and depleted. There is simply no choice for the country, when its security is at stake. The building of this reserve was a long, slow and painful process; painful in many senses of the word, for much of it was accumulated from reparations paid by Germany to victims of Hitlerism.

Before the Six-Day War, this hard currency reserve (held in German marks, U.S. dollars, Swiss francs, gold and other items) stood at \$730 million.

On 1 January, 1970, it stood at \$383 million, and the predictions for 31 December, 1970, range all the way from 0 to \$250 million.

Here, for instance, is one estimate, provided by a most responsible senior official:

Balance of payments deficit

\$ 1,100,000,000 as indicated above

Net Capital Inflow, from all sources, 1,000,000,000 to offset this deficit

Net Deficit, which will decrease foreign currency reserves

\$100,000,000

If his estimate of the net capital inflow from all sources is correct (and many observers think the estimate is highly optimistic because it is an increase of 40% over 1969), then there will only be a \$100 million shrinking of the reserves during 1970, and the year could end with a reserve of \$283 million.

If he is too optimistic, however and the inflow is 10% less for instance, the shrinkage will be \$200 million, and the reserve at year-end will only be \$183 million. And if he is really off by 20%, which could be entirely possible, then the reserve would wind up still another \$100 million short, for a final balance of only \$83 million.

HEREIN LIES THE DANGER. THERE IS NO DOUBT THAT THE FOREIGN CURRENCY
RESERVE WILL BE FURTHER DIMINISHED DURING 1970. THE ONLY QUESTION IS - HOW MUCH WILL
BE LEFT?

## AMERICAN JEWISH

### DANGERS IF FOREIGN CURRENCY RESERVE IS DEPLETED

Unthinkable as it is, nevertheless the question must be faced and clearly answered - what would happen if the reserve were seriously depleted or even fell to zero? Why is it dangerous, if not impossible, to continue to function without a reserve? A whole volume could be written on this question, but I can only suggest answers in telegraphic style.

- There would be a weakening of Israel's defense posture because of inability to purchase hard-currency items, such as planes and tanks.
- There could be an additional weakening, because of inability to import raw materials, such as steel and copper, needed for local defense production.
- There could be an inability to meet any sudden emergencies, which might require large amounts of cash.
- 4. There could be a weakening of inventories in all categories. Israel is a country in siege, and conditions might occur where the reserve might be required to finance all imports. It was always felt that a "red-line" minimum was a reserve which could pay for three months worth of imports. As of the date of this letter, the foreign currency reserve is enough to cover only seven weeks' worth of imports at present levels.

- 5. There could be an immediate loss of credit-worthiness with banks, financial institutions and governments all over the world. Israel owes about \$2 billion 300 million, and if uneasiness were to develop about her credit-standing, there is no way of predicting what might happen.
- 6. There could be a serious reduction in the general economic level, due to a reduction of imported raw materials for manufacturing, which could lead to more unemployment, estimated as high as 15% of the labor force, or 150,000 breadwinners.
- 7. There could be a serious morale problem in the country, as a result of such a depression, which might impair the defense ability.

All of this is really very strong medicine, even to put into words as speculation, or possibility - yet we have always been a realistic people, willing to look danger in the eye. It is good, in a way, to face up to unpleasantness, if one is not overawed by it, but begins to search for remedies to avoid it.

### THREE REMEDIAL STEPS

The Finance Ministry says: "Our policy will be geared to bringing a halt to the present decline in foreign currency reserves by (1) guaranteeing optimum growth in exports; (2) restraining the present rapid growth of imports; and (3) ensuring sufficient capital imports in order to prevent the decline in reserves.

As far as the first step is concerned, one can certainly be confident that everything possible will be tried. There is a "package-deal" arrangement in effect between the government, manufacturers and labor unions regarding stabilization of wages, prices, and indirect taxes. Everyone hopes it will really work, for one good effect would be to keep the prices of Israeli goods competitive in the world market - and thus help exports.

Not only must Israel help herself in this push to earn more dollars by exports. Her friends all over the world can also help, by stimulating the purchase of her goods in every manner conceivable. People don't usually think of it this

way, but tourism is also an export service. As a matter of fact, today it has become the largest single dollar-earner, bringing in around \$95 million last year. There is almost no limit to an expansion in this area, if all Israel's friends were to attempt to help by travelling there.

As far as the second step is concerned, what is obviously meant is curtailing imports for consumer use. There can be no curtailing of imports for defense, no imports of raw materials for fabrication into those finished goods intended for export. But the suggestion to curtail the spending of dollars on items of consumer commodities is serious and important. Mr. Sapir himself, during the Knesset debate in March on the first reading of the 1970 budget, made two clear points. He said that the trade deficit cannot be substantially reduced in the near future just by stepping up exports, because the gap yawns too wide; imports must not rise as they have in the past. He next said that imports can be cut only be reducing private consumption. Speaking emphatically, he said: "I trust we shall never need to go back to the day when we reimpose administrative import controls. (He may have been referring to government rationing.) But if what we have done so far turns out to be inadequate, I can assure the Knesset that we shall not hesitate to take further economic measures, which I feel all sectors of the public are ready for, if need be. "The Jerusalem Post, in reporting on this speech, used the phrase, "Mr. Sapir warned ominously."

As far as the third step is concerned, namely, to increase net capital inflow, everyone who has any possibility of assisting in this area should do so with maximum effort. The recent statement by Secretary of State Rogers concerning credits to Israel will help. Incidentally, let there be no confusion on this matter - the U. S. government is not talking about gifts or grants - strictly credits. Even though there has been no specific announcement as yet concerning the exact dollar total, the exact items to which the credits will apply, nevertheless it is

helpful to know that such long-term loans will be made.

Speaking of loans, every effort should be made to increase the sale of Israel Bonds, for this also results in a capital inflow, and while it increases the long-term debt of Israel, nevertheless it is an absolutely vital and necessary instrument for on-going economic development and building of infra-structure. And in terms of this problem of hard-currency reserve, bond dollars flowing into Israel will reduce the pressure on the reserves, so it has an immediate short-term value.

As for the free, gift dollar - the UJA contribution which is used for the philanthropic purposes of immigration, absorption, housing, education, health and social welfare - maximum efforts should be made to mobilize as much cash as quickly as possible. Here there is really a great opportunity, for the UJA campaigns of the past few years have become larger, as the American Jew has understood and empathized with the people of Israel, and there are large amounts of pledges on the books which can be translated into cash.

The following table is interesting:

Pledges	Owed to the UJA, on Prio	n Years
	as of 31 March 1970	
Regular Campaign	28	
1968	\$ 10,361,000.	
1969	16,493,000.	\$ 26,854,000.
Israel Emergency Fund		
1968	\$ 13,195,000.	
1969	35,661,000.	\$ 48,856,000
TOTAL		\$ 75,710,000

During the current campaign of 1970, a tremendous job is being accomplished. Every community in the country is raising more money than last year - and dozens of cities, including some very large ones, are raising more even than in 1967. The response is wonderful, and the emotion of the American Jew flows in steady rhythm with the people of Israel. It would seem safe to predict that the campaign of 1970 (combined Regular and Emergency Fund) will produce more than \$200 million.

Thus, there are \$75 million of outstanding pledges from this current year all of which (or, almost all) could be converted into cash if very strenuous efforts were made. The condition of the stock market is inhibitory, I know, and the cash flow condition of many businesses is probably also inhibitory. Yet this is exactly the time when ingenuity must appear - and every person must find the very best way suited to his own situation to make the maximum cash payment, during the current UJA cash collection drive. Do what you did in those glorious weeks of 1967 when almost all pledges were wiped off the books in one great outpouring of emotion and comprehension. I can't make it any clearer that this is the moment for a repeat performance.

### SUMMARY

It is very difficult to sum up all the economic principles involved, and it is extremely difficult to make predictions when so much of the data is conjectural and can only be estimated. Therefore, perhaps the best thing to do is to pose a series of questions - suggest some answers - and in so doing lay out a course of action. One thing is certain. The love for Israel beats very deeply in the heart of everyone who stops to think about the meaning of his Jewish existence. This love will lead men to heroic deeds if they know clearly what is expected of them. The role of leadership is to lead - to suggest - even to demand.

- Can Israel hold out for a long time, at the present level of military activity? The answer is yes, if the Jews of the world fulfill their responsibility, especially in the philanthropic areas.
- 2. Does Israel have friends in the family of nations, so that she will not stand alone? Again the answer would appear to be affirmative, although it must be kept constantly in mind that there is not a single country in the world which is obligated by treaty to come to Israel's assistance.
- 3. What is Israel's greatest danger at this time? The possibility of running out of foreign currency with which to continue defense and immigration and a minimum level of social services.
- 4. Can Israel do more herself? Taxes are already at an all-time high.

  Next steps might have to be more drastic, such as austerity, even rationing.
- 5. Can Jews in the outside world do more? There is no question but that the answer is yes in every sphere of economic and financial activity.

It would seem that Israel's leaders will have to call for even greater sacrifice, even greater effort on the part of an already heavily-laden people. The Prime Minister is prepared. She said to the Knesset last December: "We are now required to bear the burden of a prolonged war, the absorption of a welcome immigration, the development of the economy and concern for those strata of the population whose standard of living does not correspond to Israel's social principles. We cannot confront these challenges whilst continuing to maintain a standard of living appropriate to days of peace and calm. A wise nation will be able to draw the requisite conclusions in respect of every single individual."

She said to the New York Times in February:

"I say it's impossible (to pay cash for the Phantoms) but we will do it if we have no alternative. If it means we have to go back to a program we had in

early 1950, of austerity, we 11 do it, too, because the question is to live on austerity or not to live at all. But the question isn't really that. It means - do we do nothing in Israel, no development? Or do we maintain a standard of development and absorption of immigration together with the commitment for military equipment. There is no other country in the world, per capita, that carries the defense burden that we do - nobody."

This is strong talk. Actually it will call out the best in a population already enduring a crushing burden in money and blood. The Israeli Jew, even the newest immigrant, will respond to whatever is demanded. He will go to the point of exhaustion, physical, nervous and financial. His morale is very high, his thinking is clear, his motivation at peak. No fear.

What about you? The American Jew must also respond to whatever is demanded. You are not asked to sacrifice as they do. You are not asked to pour out commensurate work and worry. There are really no comparisons. History has placed you where you are - thousands of miles away from the scene of action - wo you are not asked to participate in an identical manner. But you can participate in your own manner - and you know what it is. Your oath, taken on the same ancestral memory, that you will never, under any circumstances, allow Israel to go down, is good enough to ensure the future. Am Yisrael Chai!

If the payments gap widens; if the hard-currency reserve virtually disappears within 10 or 12 months; if controls are required; if real austerity becomes necessary; it would seem that Israel is heading quickly toward serious financial danger. How is it possible for the country to be in this situation, and at the same time to enjoy one of the highest economic growth rates in the world. How explain this seeming paradox?

Beofre the Six-Day War, Israel was in a recession and the argues as to whether there were 100,000 unemployed, or only 60,000. It depended on how one counted students, women and seasonal workers. At any rate it was quite a deep recession. And the currency reserve was a \$750 million. Immediately after the war, the reserve rose to over \$900 million, due to the influx of money.

When the war didn't really end, and it became clear that defense expenditures would have to rise, there was a steady increase of production related to defense so that during the year 1968 the GNP increased by 14% which was unparalleled even in Israel's history and all the unemployed were soaked up in the new demand for labor.

There was the additional impact of a big new immigration after the war, triggered by all the emotion released during the fantastic week. Growth occurred in every branch of the economy - particularly the construction industry, to create new homes, but also throughout industry, agriculture and all services. The rapidly rising tourism also made its demands for manpower, and contributed its share to the rise of the GNP. Everything together kept the economy boiling along throughout 1968 and 1969.

But the growth of the economy is exactly what took the dollar toll, because imports for defense industries rose rapidly; and imports for consumer use rose rapidly as a result of available consumer income due to full employment. In other words, the very economic growth itself was the cause of the dollar drain, because

exports and capital inflow could not keep pace. The result of these conflicting developments was that, on the one hand, one saw in Israel a high degree of prosperity, full employment and even over-employment, a rising level of production and even standard of living; and on the other hand, one saw the kind of financial dangers resulting from this same rapid development.

Now, at the beginning of 1970, there is a new policy of decelerating the boom, slowing down the growth. This policy of freezing, and even perhaps lowering the standard of living, with little if any wage increases, higher taxation, cutting imports will, it is hoped, lead to a freezing of the reserves at present levels. One can truly hope that the policy will work.

Fate of Israel's economy in next five years depends on answer of U.S. about economic aid.-Michael Shemer

The year 1970 will be remembered in the economic history of Israel as the year in which the deficit of the current balance came to over a billion dollars. This fact, which has been known for a number of months will cause another unprecedented 'ashievement' achievement'. The import of capital Israel will need in the course of the year through loans, UJA, restitution moneys etc will also come up to about one billion dollars.

The difference between the two is of utmost importance because it will determine the fall of foreign currency reserves of the State.

Before the Six Day War the difference between the deficit in the balance and the income of capital was positive, that means that the capital Israel got was bigger than the deficit and the reserves rose steadily. Since the War the opposite process is taking place. Therefore Foreign Currency Reserves decreased by more than 300 million dollars, and at the end of March they came up to 380 million dollars.

The National budget, which was prepared at the beginning of the year it said that that the deficit in the balance of Payments will come up to one billion dollars on 1.1.70. The net total of capital imment import from all the sources together was estimated at one billion dollars.

According to forecasts the Reserves should have diminished by about one hundred million dollars and come up to 250-300 million dollars.

Mr. A. Agmon, Director general of the Treasury said that most of the forecasts about deficit an import of capital mikkmaxmight have make been right in the first three months of this year, yet there were a number of things which could point to possible changes in the future.

The first is a slow-down in the rise of exports, which should cause grave concern. In the first three months of the year, export increased only by 5% c mpared to the same period last year whilst the forecasts took an increase of 12% into account.

This slow-down was caused mainly by diamond exports which decreased by 9%, but also agricultural exports decreased compared to last yer. On the other side, the other industrial exports increased by 16%. Gideon Kahav, Director general of the Ministry of Commerce and Industry said that conditions in diamond exports may still improve and he believes that all in all khakaxakkilk exports will be as the forecasts showed.

One factor which may alleviate our worry in that respect is that a change has also taken place in imports. In the first three month of the year a certain slow-down has been marked here too. It is believed, according to Director general of the Minitry of Finance that import will rise by Mix less than 10% throughout 1970. That means that the gap in the balance will not increase compared to forecasts in spite of the marking marks export being smaller than expected.

Concerning income of capital, the Development loans will bring in 220 millionypounds approximately, as forecast. The Treasury also hopes that investments from abroad will be according to forecasts namely 100 million dollars. (Lasy year investments were 90 millions).

All in all money to be expected in 1970 will come up to about 1.3 billion dollars. include

But in 1970 Israel will also have to repay 285 million dollars/ The net import of capital will therefore by one billion dollars only.

Israel's burning question in view of the above and in view of the fact that this condition will be prevailent in future years too, is how to finance to current deficit on one hand and how to increase our foreign currency reserves on the other. It is clear that in the next few years the State will need more than 300 million dollars. The REFERENCE TRANSPORT CURRENCY FOREIGN CURRENCY The satisfactory ount of Foreign Currency reserves is usually set by the import and as import is to increase in future years the Foreign Currency reserves will have to be increased at least in that ratio.

No exact data have been given about the Foreign Currency needs in future years, yet from reports in American newspapers it is learned that mrs. meir asked for aid of over one billion dollars for five years, on her visit.

Government circles hope that America's delay in the supply of Phantoms increase Israel's chances for economic aid. The answer of the American Administration in this regard is awaited urgently here.

As a matter of fact, President Nixon's manuar positive answer is fateful for Israel's economic future in the next five years.

A Senior official in one of the economic ministries here said recently in order to manuar describe how important Nixon's decision is, that 'If we will not get more than one billion dollars in the next five years we shall just have to close up and let the last one who leaves here put out the light...

### 2-garzey-telex-ujappeal -62911 New York, April 14, 1970

A number of Katyusha rockets were fired last night at 3 a.m. at Tirat Zvi and Neve Eitan. No casualties or damage.

Thirty five ex-Hagana members between the ages of 65-70 started to do security patrolling. Each one of the volunteers patroll once or twice a week for five hours. More ex-security people will be enrolled to make a regular auxiliary unit for the police to ease the shortage of policemen.

THE OTHER FRONT— Shimon Peres, acting Minister of Absorption reported that one hundred thousand immigrants came to Israel since the Six Day War. Peres said that his plan to settle the Jerusalem area, will make the building of seventy thousand housing units necessary, in addition to new aironautic, electronic and other industries. The school network will have to be enlarged as well as universities. Thirty thousand building workers will have to be transferred to the capital. At the present rate about half a million Jews will immigrate within the next decade. Peres disclosed that Israel is spending nine million dollars a day, of which four million dollars go for defence, one million dollars for immigration and the balance for development, education, and repayment of debts.

forty thousand to forty five thousand immigrants are expected to arrive during 1970. In the first quarter of 1970, immigration to Israel totalled eight thousand and seven hundred of which five thousand and fifty were immigrants and three thousand , four hundred and ten were temporary residents. During the same period last year, seven thousand, eight hundred and seventy immigrants arrived and in the last quarter, ten thousand, six hundred and forty came.

Budget to be financed in future by increase in taxes. (Economic Corr.)

The possibility to finance the increased budgets of the state, due to the continuing present defence situation, by loans, has been exploited to the end, and in the future it will be necessary to get the sums needed by manager compulsory payments, namely taxes.

### MxxxXixxXixXixXieStessel

Mr. H. Stessel, in charge of Capital said that the burden of

loans, which the Israeli has to carry is big.

He said that out of a budget of about ten billion pounds, loans constitute 3.74 billion pounds or about 40% in 1970/71.

Out of this sum 1.25 billion will come from foreign loans and 2.5 billion pounds will come from the following sources:

840 million pounds-compulsory loan; 506 million pounds-loans from the National Insurance; 650 million pounds-drawings from the Bank of Israel, which araximxaraix means in fact the printing of new money. 650 million pounds-voluntary loans.

Voluntary loans, said Mr. Stessel are received as follows: 350 million pounds from various mutual benefit funds(m nly of workers and employees.); 100 million pounds loans from banks and only 200 million pounds from the sale of voluntary loans.

Mr. Stessel said that there ixx was no other country in the world which has for a period of four years, financed the war effort by loans, as In Israel. In 1964/65 loans constitute 22% of the budget; In 1967/68, it came up to 38% and this year it came up to 40% of the budget.

In 1964/65 the percentage of foreign loans was 60% and that of internal loans 40%. This year the percentage of foreign loans x decreased to 25% and that of internal loans rose to 75%.

This burden of loans has reached a climax and Mr. Stessel believes that with the war continuing there will be no other way than to increase direct and idirect taxes instead of loans.

### THE ANATOMY OF "TIGHTENING THE BELT"

by Yovel Elizur

While we were sitting in the spacious lecture hall "Reknati" for Business Administration in the Tel Aviv University a few days age and listening to wanderful words about what is awaiting us in the year 2000 and about the excess of these awaited events on our planningfor the next fix to ten years, we stole a few thoughts about what is awaiting us in the years 1971 and 1972.

It must be admitted that what awaits us in the near future is neither so exciting nor so joyful as that which awaits us in the more distant future. It is possible that in the year 2000 it will have suffice to work only a few hours a week and we shall be able to spend most of our time flying between the stars, while in the next few years we shall have to work harder and earn less than we do today. Economists are divided in their opinion as to the success or failure of the "package deal", but there seems to be a general consensus of opinion in the basic assumption that our situation will become worse before it begins to improve: our foreign currency reserves will continue to drop before they begin to increase and, concurrently, the real income of each one of us will also decrease before we can begin to think of trips between the stars or even the acquisition of a new car or a more roomy flat.

The forecast for the coming two years is therefore: "Tightening the belt." But just as foreseeing the distant future requires knowledge of the facts and organised thought, so too down retrenching and curtailment require clear-cut knowledge. The comments and announcements made by a number of our leaders in the field of m the local economy in recent weeks proves that in this sphere too we lack a realistic outlook and what is even worse - there is a lack of mental and physical readiness to face what is awaiting us perhaps even in the fiscal year commencing this week.

The Finance Minister, Mr. Pinhas Sapir, is wont to recall from time to time - as an example of "tightening the belt" - what he went through in his childhood in the town of Subalki where he was born. He remembers the clothes made of sacking which they wore during the period of the first World War and the wooden shows. The Prime Minister, Mrs. Golda Meir, has issued a warning of the need to return to rationing of food and other vital products.

This kind of "futurism" does not make an impression of much seriousness. Fortunately, we have already moved so far towards the "affluent society" that even if we shall have to retreat a little, it is extremely doubtful whether there will be a need to curtail either food or clothing. Even if we are compelled to save dollars, by curtailing the import of meat for instance, the Israel agriculture will be able to fill the gap by producing such quantities of food which will provide to every inhabitant of israel with far more calories than the accepted minimum in the well-to-do countries of the world. It is worth emphasizing here that in the negotiations being carried on between agriculture and the Finance Ministry concerning milk quotas there is no one to demand

a reduction in the supplies of milk, butter and cream to the population of Israel. It is suggested that only by reducing the local production of cheese inorder to import cheese can some dollars be saved.

There is even doubt as to whether we shall reach the stage where we shall have to cut down electricity and petrol supplies. Not only is a smaller quantity of oil required for the production of one kilowatt of electricity in recent years but Israel's oil requirements have not been affected as happened after the Sinai Campaign for instance.

Similarly, one can assume that the women of Israel will not have to fear that they are faced with a fashion of clothes in sacking and wooden shoes for the years 1971 and 1972.

Many then will be the form taken by curtailment of Israeli consumption? In the private economy, it may be assumed that the main curtailmain ment will take place in areas which are not generally considered "vital". Thus, for instance, if someone should wish to acquire a dishwashing machine, it is doubtful whether he would be able to do this in the near future. This too will be the case in regard to the acquisition of food mixers, air conditioners, luxury gas stoves and a new refrigerator. We shall continue to hold on to our old cars even if the children term it a "tranta" and perhaps there will be some who will be compelled to give up running a car altogether. Whoever has a small flat will have to consider the addition of built—in cupboards or closing in a balcony in the next two years as it will be most difficult to acquire a larger apartment.

In the next two years we shall go on less trips both in the country and abroad. The "custom" which came into fashion in recent years of sending a son who has passed the eighth grade on a trip to Europe before he is conscripted into the army will have to stand up to a severe test. We shall also have to give up skiing on the Hermon and a week-end at Eilat - the salary will just not be able to take the pressure.

More serious curtailment will be applied to public consumption. It may be anticipated that the debate concerning transfer of the opera to "Cinerama" will come to an end: it can be assumed that the sums required for this purpose are simply not available. And perhaps it is worth recalling here a remark made to an Israeli visitor in New York by Mr. Herman Krawitz, the Director of the Metropolitan Opera in New York: Despite the substantial contributions and the high prices of tickets, we have reached the stage where New York is once again unable to permit itself the luxury of an opera.

Cutting down public administrative budgets, theatres, academic institutions, parks and even perhaps school buildings, is not perhaps the most popular measure and will no doubt again give rise to the fear of "levantinism", God save us. But whoever speaks of "tightening the belt" and does not take these factors into consideration does not know what he is talking about. Fortunately for us, we can cut down very substantially on these items before we reach what Pinhas Sapir calls "the living flesh".

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TWX. APRIL 2, NEWS IN BRIEF - THE EIGHTEEN GEORGIAN JEWS WHO APPEALED TO THE U.N. THREE MONTHS AGO FOR PERMISSION TO EMIGRATE TO ISRAEL SENT A NEW PLEA TO PRIME MINISTER MEIR AND SECRETARY GENERAL U THANT. THE JEWS STATE THAT ONE HUNDRED DAYS HAVE PASSED SINCE THEIR FIRST REQUEST. ;#-;8,& '9) -4535#39-0

# AMERICAN JEWISH ARCHIVES

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TWX. APRIL 2, NEWS IN BRIEF - THE EIGHTEEN GEORGIAN JEWS WHO APPEALED TO THE U.N. THREE MONTHS AGO FOR PERMISSION TO EMIGRATE TO ISRAEL SENT A NEW PLEA TO PRIME MINISTER MEIR AND SECRETARY GENERAL U THANT. THE JEWS STATE THAT ONE HUNDRED DAYS HAVE PASSED SINCE THEIR FIRST REQUEST. HAVING SOLD THEIR PROPERTY AND QUIT THEIR JOBS, MANY ARE LIVING IN POVERTY AWAITING THEIR 'RIGHT' TO LIVE IN ISRAEL 'BECAUSE WE ARE AN INTEGRAL PART OF THE JEWISH PEOPLE.'

'WE ARE NOT AFRAID OF ANYTHING, BECAUSE DEAD OR ALIVE, LE ARE CHILDREN OF ISRAEL', THE LETTER CONCLUDES. 'WHO WILL HELP US ?'

PREMIER GOLDA MEIR TOLD THE KNESSET THAT NO ISRAEL GOVERNMENT HAS EVER 'HUSHED UP' THE PROBLEM OF SOVIET JEWRY, NOR HAS IT EVER HESITATED, FOR FEAR OF ANGERING THE RUSSIANS. MRS. MEIR CALLED THE PLIGHT OF SOVIET JEWRY, 'ONE OF THE GREAT TRAGEDIES OF OUR HISTORY.'

DEFENCE POLICY ARE PREVENTION OF ESCALATION, PREVENTION OF A CONFLICT WITH SOVIET RUSSIA, PREVENTION OF A DISAGREEMENT WITH THE US BY A MAXIMUM OF COORDINATION, AND REDUCING CASUALTIES. DAYAN SAID THAT

THE DEFENCE MINISTRY IS STRIVING TO INCREASE DEFENSE PRODUCTION.

CONCERNING THE RUSSIANS IN EGYPT, DAYAN SAID THAT A GREAT CHANGE HAS TAKEN PLACE.
THE RUSSIANS PREVIOUSLY ADVISED WHEREAS TODAY THEY

HAVE OPERATIONAL RESPONSIBILITIES.

FOREIGN MINISTER ABBA EBAN TOLD THE KNESSET THAT THE ARABS HAD REJECTED EVERY ISRAELI INITIATIVE DURING THE PAST TWO AND A HALF YEARS AIMED AT PROMOTING NEGOTIATIONS, UNDERSTANDING AND PEACE. THIS WAS BECAUSE THE ARABS HAVE NO INTEREST IN PEACE, HE SAID.

THE FOREIGN MINISTRY DENIED A REPORT BY AMNESTY
INTERNATIONAL, ACCUSING ISRAEL OF TORTURING ARAB PRISONERS .

FROM THE FRONT- ISRAEL PLANES TWICE ATTACKED EGYPTIAN MILITARY TARGETS IN THE SOUTHERN SECTOR OF THE SUEZ CANAL, WEDNESDAY. ALL PLANES RETURNED SAFELY.

SYRIAN TROOPS FIRED AT AN ISRAELI ARMY PATROL IN THE NORTHERN GOLAN HEIGHTS, WEDNESDAY.

MORTAR FIRE WAS DIRECTED AT NAHAL GOLAN, FROM SYRIAN TERRITORY, WEDNESDAY.

TWO ARAB SABOTEURS WERE KILLED WEDNESDAY NIGHT IN AN ENCOUNTER WITH AN ISRAEL PATROL, ON THE SOUTHERN GOLAN HEIGHTS. ISRAEL FORCES SUFFERED NO CASUALTIES.

'SINCE THE SIX DAY WAR, WE ARE ENGAGED IN A GRIM STRUGGLE, WITH THE ENEMY AROUND US TRYING TO DRIVE US TO EXHAUSTION. THIS FIGHT, THOUGH LIMITED IN SCOPE, DEMANDS OF THE I.D.F A DEGREE OF

PREPAREDNESS AND OPERATIONS IN A FREQUENCY AND SCOPE WE HAVE NOT EXPERIENCED SO FAR, 'GENERAL YIZHAK HOFI, ISRAEL ARMY TRAINING COMMANDER, SAID AT A PASSING OUT PARADE OF AN OFFICER'S COURSE. 'THE PRESSURE PUT TODAY ON THE SOLDIER—AND ESPECIALLY ON THE OFFICER IN A FIELD UNIT—WAS NEVER GREATER, AND NEVER MORE CONTINUOUS, AND IT DEMANDS A MAXIMUM PHYSICAL AND MENTAL EFFORT.' 'AS FROM TOMORROW YOU WILL BE ONTRUSTED WITH SOLDIERS—OUR MOST VALUABLE ASSET, WHO SAFEGUARD OUR EXISTENCE, MORE THAN EVEN THE MOST ACCOMPLISHED EQUIPMENT.

'YOU MUST FOSTER AND CARE FOR THE SOLDIERS UNDER YOUR COMMAND.
YOU WILL DO THIS BY GIVING THEM A THOGOUGH AND SYSTEMATIC
TRAINING, AND I
INTELLIGENT LEADERSHIP IN BATTLE.'

THE OTHER FRONT -

PEOPLE PREFER WORKING FOR A LIVING TO SUBSISTING ON WELFARE PAYMENTS, WELFARE MINISTER YOSEF BURG SAID. TODAY ONLY TWO POINT SEVEN PER CENT OF THE ISRAEL POPULATION ARE RECEIVING FULL WELFARE ALLOWANCES. THERE WERE FOUR THOUSAND FEWER CASES THAN IN 1966. FIFTEEN PER CENT OF ALL SOCIAL CASES STOP GETTING FULL ALLOWANCES EVERY YEAR, DR. BURG ...

SAID. DR. BURG NOTED THAT THE PROBLEM OF THE AGED IN ISRAEL WAS BECOMING MORE SERIOUS. WHILE IN 1948, ONLY THREE POINT FIVE PER CENT OF THE POPULATION WERE OVER SIXTY, TODAY THE FIGURE IS SEVEN POINT FIVE PER CENT.
THE MINISTRY SET ASIDE THIRTY FIVE MILLION POUNDS, FOR THEIR CARE.A NEW OLD-AGE HOME WAS OPENED IN BEERSHEBA, CONSTRUCTION BEGINS SOON FOR AN OLD-AGE HOME IN AFULA, AND THE MINISTRY PLANS SIXTY GERIATRIC BEDS AT TEL-HASHOMER HOSPITAL, ALL IN CONJUNCTION WITH UJA FINANCED MALBEN..

ISRAEL'S TAX REVENUE IN MARCH WAS FOUR HUNDRED AND FIFTY
NINE MILLION POUNDS, A RECORD FIGURE EQUAL TO TAX REVENUE
IN THE ENTIRE YEAR 1957. COMPARED WITH MARCH OF LAST YEAR,
THE INCREASE IS EXACTLY FIFTY PER CENT.
EXPECTED RECEIPTS DURING THE FISCAL YEAR, INCLUDING
DEFENCE AND SAVINGS LOANS, WILL COME TO THREE THOUSAND,
FIVE HUNDRED MILLION POUNDS AS AGAINST TWO THOUSAND, ONE HUNDRED
AND THIRTY FIVE MILLION POUNDS IN 1969.

ABSORPTION MINISTER SHIMON PERES SAID ONE THOUSAND ENGINEERS IMMIGRATED TO ISRAEL IN THE YEARS 1968/69, BUT A SHORTAGE REMAINS OF FIVE HUNDRED ENGINEERS. THERE WILL BE WORK FOR ALL THE ENGINEERS WHO IMMIGRATE, PERES SAID.

NEW IMMIGRANT PUPILS WILL HAVE ONLY ONE MONTH OF VACATION THIS SUMMER. THEY WILL DEVOTE JULY, TO STUDY FOUR HOURS EVERY DAY IN HEBREW LANGUAGE.

THE PRICE ISRAEL PAYS '
BETWEEN MARCH 26 AND APRIL 1, THREE ISRAELI SOLDIERS WERE
KILLED AND TEN INJURED. DURING THE SAME PERIOD ONE CIVILIAN
WAS KILLED AND FOURTEEN WOUNDED BY ENEMY ACTION.

DURING THE MONTH OF MARCH FORTY NINE ARAB TERRORISTS WERE KILLED IN ENCOUNTERS WITH ISRAELI PATROLS.

LATE NEWS BULLETIN: ISRAELI AIR FORCE PLANES WERE ACTIVE THIS MORNING AGAINST SYRIAN MILITARY TARGETS IN THE RAFID AREA. THERE WERE ALSO EXCHANGE OF FIRE WITH THE SYRIANS, WHICH STARTED AT 9 A.M. AND ARE CONTINUING. THE ISRAELI ARMY SPOKESMAN ANNOUNCED THAT THIS OPERATION CAME AS A RESULT OF CONTINUED VIOLATIONS OF THE CEASE—FIRE BY THE SYRIANS. GAMZEY

BOOTH TELAVIV .

ROBERT GAMZEY

JEWISH AGENCY TELAVIV

249215--256356 MARCH 23,1970

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TWX. MARCH 23. THE UNITED JEWISH APPEAL YOUNG LEADERSHIP MISSION RECEIVED AN AUTHORITATIVE BRIEFING SUNDAY NIGHT ON THE " INTERIM" WASHINGTON DECISION NOT TO SELL AN ADDITIONAL ORDER OF US JET FIGHTER- BOMBERS TO ISRAEL AT THIS TIME. IT WAS STRESSED THAT THE DECISION WAS " ITERIM" AND WOULD SURELY BE IMMEDIATELY RECONSIDERED IN THE LIGHT OF RUSSIAN DELIVERY OF ITS SOPHISTICATED SA 3 ANTI- AIRCRAFT MISSILES IN EGYPT, MANNED BY RUSSIAN TECHNICIANS . ISRAELI AUTHORITIES CANNOT CONCEIVE OF AMERICA CUTTING OFF THE CONTINUED SUPPLY OF PHANTOMS AND SKYHAWKS AFTER THEPRESENT ORDER IS FULLFILLED AND ARE CONFIDENT THEY CAN SHOW THE AMERICANS THAT THE SOVIET MISSILE DELIVERIES TO EGYPT SERIOUSLY UPSET THE BALANCE OF POWER IN THE MIDDLE EAST. THE CONSISTENTCY OF AMERICAN MIDDLE EAST POLICY WAS POINTED OUT AS A LONG TERM AN UNDERSTANDING WITH ISRAEL TO REIST RUSSIAN DOMINATIONOF THE EASTERN MEDITERRANEAN AREA. THE CONTINUITY OF US PLANE SUPPLIES TO ISRAEL DURING BOTH THE JOHNSON AND NIXON ADMINISTRATIONS, AND NOW THE EXTENSION OF LARGE SCALE AMERICAN CREDITS TO ISRAEL TO HELP PAY FOR THOSE PLANES ALREADY RECEIVED WAS IMPHAIZED. WHERE WASHINGTON AND JERUSALEM DIFFERED WAS OVER ISRAELS BELIEF THAT A US COMMITMENT TO SELL TWENTY FIVE MORE PHANTOMS AND EIGHTY ADDITIONAL SKYHAWKS IN 1971 TO ISRAEL SHOULD BE ANNOUNCED IN 1970 NOW AS A DETERRENT TO RUSSIA AND THE ARAB STATES. THE CRUCIAL IMPORTANCE OF THE AMERICAN DETERRENT TO PREVENT A RUSSIAN MILITARY ATTACK ON ISRAEL WAS EMPHASIZED . THIS DETERRENT WORKED DURING THE 1967 SIX DAY WAR WHEN BOTH THE US AND RUSSIA AGREED TO STAY OUT OF THE CONFLICT , AND IS BELIEVED TO BE AS OPERATIVE NOW. BOTH SUPERPOWERS ARE REGARDED AS ANXIOUS AS EVER TO AVOID NUCLEAR CONFRONTATIONS ANYWHERE AND EVERYWHERE IN THE WORLD, ESPECIALLY IN THE MIDDLE EAST WHERE THE ISRAEL- ARAB CONFLICT

INVOLVES BOTH MOSCOW AND WASHINGTON .

THE RESPONSE OF ISRAELS FRIENDS

TO THE WASHINGTON DECISION TODAY SHOULD BE TEMPERED BY THESE OVERALL CONSIDERATIONS OF LONGRANGE US ARMS. ECONOMIC AND POLITICAL SUPPORT FOR ISRAEL AS AN ALLY AGAINST RUSSIAN COMINANCE OF THE MIDEAST BOTH WASHINGTON AND JERUSALEM ARE SEEKING NEW QUIET AND MORE EFFECTIVE SUBTLE WAYS OF ARRANGING ARMS SUPPLIES WITHOUT PERIODICALLY CALLING WORLD-WIDE ATTENTION TO EXACT AMOUNTS AND DATES OF DELIVERIES . THE PRESENT SPOTLIGHT ONLY AROUSES ARAB , SOVIET AND OTHER PRESSURES WHICH MAKE IT DIFFICULT FOR AMERICA TOKEEP ISRAEL STRONG AS AN ALLY AGAINST RUSSIAN PENETRATION AND DOMINATION. SINCE ISRAEL DOES NOT REQUEST ANY AMERICAN SOLDIERS TO FIGHT -FOR HER AGAINST THE ARABS, ISRAELS BID TO BUY ADDITIONAL US PLANES MAKES HER A HER UNDEMANDING ALLY.

Soviel NEWS IN BRIEF -MINISTER OF DEFNCE MOSHE DAYAN DEFINED RUSSIAS SUPPLY OF SA 3 GROUND- TO - AIR MISSILES TO EGYPT AS THE FIRST STAGE OF SOVIETIZATION OF THE EGYPTIAN WAS DISPOSITION. DAYAN SAID THE RUSSIANS ARE BUILDING AN INFRASTRUCTURE ON THE GROUND. PROMITTING AN INCREASING SOVIETIZATION OF EGYPTIAN WARFARE AND FACILITATING POSSIBLE PILOTING OF SOVIET PLANES BY SOVIET CREWS. I DO NOT EXPECT THIS TO OCCUR SAID DAYAN ON ISRAEL TV FRIDAY NIGHT. WAS IS A TWO WAY AFFAIR AND I HOPE WE WILL SUCCEED IN PRVENTING THE STATIONING OF THE NEW MISSILES IN AREAS VITAL TO OUR MILITARY HOLD ON THE SUEZ CANAL ZONE AND TO THE EFFECTIVENESS OF OUR AIR OPERATIONS IN DEEPER PENETRATION DAYAN STATED . THE MINISTER OF DEFENCE EMPHASIZED THAT ISRAEL MUST VIEW WITH GRAVE CONCERN THE SOVIET UNIONS LATEST MOVE. THE COMING SUMMER OF 1970 WILL SEE THE POSITIONING OF THE NEW SOVIET EQUIPMENT . IT WILL BE AN ELECTRONIC , ELECTRIFIED SUMMER OF PLANES AND SOPHISTICATED SYSTEMS. BUT I TRUST , THAT THIS WILL BE A TWO- SIDED ACTIVITY- WE

SHALL NOT SIT IDLY EITHER ,

THE READINESS OF SOVIET JEWRY

TWO OPEN LETTERS SENT BY MOSCOW JEWS TO THE SOVIET

PRAVDA REACHED ISRAEL. THE LETTERS EXPRESS

PRAVDA ANSWERING THE ANTI- JEWISH CAMPAIGN CONDUCTED BY

TO FIGHT DEEPLY FOR THEIR RIGHT TO LEAD A JEWISH LIFE , AND FOR THE RIGHT TO COME TO ISRAEL, - IT WAS ANNOUNCED BY

DAYAN SAID.

DEPUTY PRIME MINISTER YIGAL ALLON. ALLON REVEALED THAT EIGHTEEN JEWISH FAMILLIES FROM GEORGIA SENT ANOTHER LETTER, ADDRESSED TO PRIME MINISTER Yea WUI GOLDA MEIR, FOR TRANSMISSION TO THE UN SECREATARY GENERL. ALLON SAID: A) THE SOVIET UNION MUST GRANT SOVIET JEWS THE RIGHT TO FULL JEWISH EXPRESSION , WITH REGARD TO LANGUAGE , CULTURE AND ITS TIES TO THE REST OF THE JEWISH PEOPLE. B) EVERY JEW WHO WISHES TO DO SO MUST BE PERMITTED TO EMIGRATE TO ISRAEL , TO BE REPATRIATED TO HIS HISTORIC HOMELAND. Yea WLI ALLON SAID WORLDJEWRY, IN ISRAEL AND THE DIASPORA, IS DETERMINED TO GIVE EVERY POSSIBLE SUPPORT TO RUSSIAN JEWS IN THE FIGHT FOR THOSE RIGHTS. Yea WILL FROM THE FRONT-

TWO ISRAELI CIVILIANS: ZADOK SALMAN , 40 OF RAMAT HASHARON AND CLAUDE LEVI, 33 OF BEERSHEVA WERE KILLED AND ELEVEN OTHER CIVILIANS WER WOUNDED SUNDAY , WHEN TWO CIVILIAN VEHICLES HIT MINES, NORTH OF BIR HASMA.

SEVENTY- FIVE KILOMETERS SOUTH OF EL ARISH. TEN ARAB TERRORISTS WERE KILLED BY ISRAELI ARMY DETACHMENTS EAST OF SDOM FRIDAY NIGHT.

NO ISRAEL CASUALTIES WERE REPORTED BY

THE UNIT WHICH RETURNED SAFELY TO ITS BASE.

THREE ISRAELI SOLDIERS WERE INJURED WHEN THEIR VEHICLE STRUC A MINE ON THE NORTHERN SHORE OF THE DEAD SEA,

FRIDAY AFTERNOON.

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PRIVATE SHMUEL HADAD, 19 OF HAIFA , DIED OF WOUNDS DURING AN ARTILLERY EXCHANGE, MARCH 18, ON THE SUEZ CANAL.

KATYUSHA SHELLS WERE FIRED AT UPPER GALILIAN . SETTLEMENTS , DAN,

DAPHNA, SHEAR YASHUV AND MAAYAN BARUCH . NO DAMAGE OR CASUALTIES WERE CAUSED.

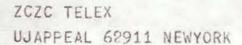
TWO UNINHABITED HOUSES WERE DAMAGED AT MOSHAV AVIVIM, NEAR THE LEBANESE BORDER BY EXPLOSIVES. FOUR ISRAELI SOLDEIRS WERE WOUNDED SUNDAY WHEN THEIR VEHICLE STRUCK A MINE NEAR KEREM SHALOM IN THE GAZA RAFAH AREA. KATYUSHA ATTACKS BY TERRORISTS FROM LEBANESE TERRITORY WAS MADE AGAINST KFAR GILADI IN UPPER GALILEE SATURDAY, BRINGING THE TOTAL OF KAYUSHA ATTACKS FROM LEBANESE TERRITORY ON CIVILIAN SETTLEMENTS TO FIVE THIS YEAR.

SHELLS FELL SUNDAY EVEINING IN THE VICINITY OF ZARIT,

(KFAR ROSENWALD) IN UPPER GALILEE. NO CASUALTIES AND NO DAMAGE WAS CAUSED. A GAZA ARAB WAS KILLED AND A GAZAN AND THREE ISRAELIS INJURED IN TWO GRENADE ATTACKS IN GAZA SUNDAY, Yea WUI Yea V AS AN EGGED BUS FROM TEL- AVIV PULLED INTO TOWN. A SECOND HANDGRENADE WAS THROWN INTO AN ISRAELI CIVILIAN TRUCK , DRIVEN BY ZEDEK SIGRON, 38 OF ASHKELON, WHO WAS SERIOUSLY INJURED NNN UJAPPEAL62911 IS WELL RCVD PLS"? AMERICAN JEWISH BIBI BOOTH TELAVIV

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TWX APRIL 1 NEWSIN BRIEF ISRAEL IS STAYING IN THE ETZICN
BLOC FOREVER, THE PRINE MINSITER GOLDA MEIR STATED IN THE
KNESSET MRS MEIR SAID THAT THIS WAS ACCORDING TO THE OFFICIAL
POLICY OF THE CABINET WHICH ON SEPTEMBER 30.1968 DECIDED
TO SET UP A RURAL AND URBAN CENTER IN THE ETZION BLOC BETWEEN
JERUSALEM AND HEBRON. THE KNESSET FINANCE COMMITTEE
APPROVED ATHE CIVIL DEFENCE LEVY, TO PAY FOR GAS MASKS
WHICH WILL BE ISSUED TO EVEORYONE.

MINISTER OF DEFENCE , MOSHE DAYAN , TOLD A DELEGATION FROM THE ARAB FARMERS IN THE JORDAN VALLEY, THAT ISRAEL DEFENCE FORCES WOULD NOT FOREGO SECURITY MEANSURES AGAINST ARAB TEERRORISTSSE AS THE CONSTRUCTION OF SECURITY FENCES, CHECKS CARRIED OUT CACH MORNING FOR MINES , CLEARING OF LAND AND SEARCHES THE MINISTER OF DEFENCE SAID THIS IS THE THIRD YEAR IN WHICH ARAB TERRORISTS HAVE BEN AGING A WAR THE JORDAN VALLEY OVER FIVE HUNDRED TERRORISTS HAVE BEEN WOUNDED OR KILLED IN ENCOUNTERS WITH ISRAEL SECURITY FORCES DAYAN REMINDED THE ARAB FARMERS THAT NOT ONLY IS THEIR HARVEST DESTROYED , BUT ALSO ISRAELI SOLDIERS AND CIVEILIANS HAVE BEEN KILLED ROAD ACCEIDENTS COST ISRAEL DEFENCE FORCES ONE HUNDRED AND THIRTYNINE DEAD AND TWO HUNDRED AND TWENTY SEVEN CRIPPLED DURING 1968 AND 1969ENEMY ACTIONBETWEEN THE CLOSE OF THE SIX DAY WAR AND THE END OF 1969 COST FOUR HUNDRED AND TWENTY SIX DEAD AND ONE THOUSAND FOUR HUNDRED AND EIGHT WOUNDED MOSHE DAYAN REVEALED

PAGE2

FROM THE FRONT EGYPTIAN ANTIAIRCRAFT MISSILE BASES AT ELEMANSOURS
IN THE CENTER OF THE NILE DALTA, WERE ATTACKED TWICE BY ISRAELI
AIRCRAFT TUESDAY AFTERNOON. ISRAELI BOMBERS ALSO LAUNCHED
AN INTENSIVE TEN MINUTE RAID ON MILITARY TARGETS ON THE CANAL
TUESDAY. ALL AIRCRAFT RETURNED SAFELY
THREE PIECES OF MECHANICAL EQUIPMENT AND A HUT AT RAMATSHALOM
IN THE NORTHERN GOLAN HEIGHTS WERE DAMAGED BY ARAB BASOOKA
FIRE TUESDAY.
THE OTHER FRONT — THE PRESSURES OF THE GOVERNMENT'S

THE OTHER FRONT - THE PRESSURES OF THE GOVERNMENT'S
NEW ECONOMIC POLICY WILL START TO BE FELT BY THE END OF THIS
MONTHMOST EMPLOYEES WILL FIND THEIR TAKEHOME PAY REDUCED,
AFTER NEW DEDUCTIONS OF TAX NATIONAL INSURANCE AND COMPULSORY
LOAN. IN ADDITION, THERE ARE THE IMPORT DEPOSIT, THE TAX
DEDUCTION AT SOURCE FROM THE GOVERNMENT'S

SUNTEREST STEEN THE FOREIGN TROVEL ALLOWANCE.

THE BUDGET WAS REDUCED BY THREE HUNDRED AND FORTY MILLION POUNDS, STATE EXPEDITURE IS HENCEFORTH LINKED TO REVENUE.

THERE WILL NO LONGER BE A CASHBOX DEFICIT EITHER DURING THE YEAR OR AT ITS TERMINATION. RESTRAINT IN PUBLIC, AS OPPOSED TO RESIDENDTIAL BUILDING WILL BE TOUGHENED EXPORTS WILL BE ENCOURAGED BYY ANADDITIONAL ONE HUNDRED AND TEN MILLION POUNDS IN INCENTIVES. INTEREST RATES HAVE BEEN IMPOROVED ON FOREIGN RESIDENTS' DEPOSITS IN ISRAEL BANKS. THESE MEASURES PLUS THE PACKAGE DEAL FOR WAGES SHOULD INFFLUENCE THE ECONOMY TOWARDS RESTRAINT SUFFICIENTLY TO OBVIATE THE NEED FOR FURTHER BELTTIGHTENING PROPOSALS BUT' WE SHALL ONLY KNOW FINALLLY WHEN WE SEE WHAT IMPACT IS MADE ON THE BALANCE OF PAYMENTS' SAID AVRAHAM ARMON DIRECTOR GENERAL OF ISRAEL TREASURY

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JERUSALEM'S CITY BUDGET OF MINETYTHREE MILLION POUNDS RUNS A DEFICIT OF TEN MILLION POUNDS FOR THE FIRST TIME. LACK OF HOUSING WAS SINGLED OUT BY MAYOR KOLLEK AS ONE OF THE MOST SERIOUS PROBLEMS CONFREONTING JERUSALEMMR. KOLLEK SAID YOUNG COUPLES WERE LEAVING THE CITY BECAUSE OF THE SHORTAGE.

WHICH HE SAID WOULD CONTINUE TO BE 'VERY GRAVE' FOR THE NEXT TWO YEARS. LARGE-SCALE BUILDING WAS NOW UNDERWAY IN THE CITY

THE GOVERNMENT CUT ITS CONTRIBUTION TO THE HEBREW UNIVERSITY
DEVELOPMENT BUDGET FROM A PLANNED FIFTEEN MILLION POUNDS TO
NINE AND A HALF MILLION POUNDS
THREE HUNDRD IMMIGRANTS, INCLUDING TWENTYSIX RETURNING
EMIGRANTS, ARRIVED IN HAIFA TUESDAY IN TWO LINERS FROM VARIOUS
COUNTRIES' FIFTY ARE SETTLING IN KIBBUTZIM.

DIFFICULT FOROBLEMS IN EDUCATION TODAY IS THAT OF EMOTIONALLY MALADJUSTED CHILDRENTHEY CONSTITUTE NOT ONLY A PROBLEM.

TO THEMSELVES, BUT TO THE SCHOOL SINCE THEY DISRUPT WHOLE CLASSES, 'TWENTYFIVE THOUSAND OF THESE CHILDREN ARE IN SPECIAL EDUCATION CLASSES, COMPARED WITH NINETTEEN THOUSAND AND FIVE HUNDRED THREE YEARS AGO ALLON SAID.

THE SCHOOL DROPOUT RATE WAS 'COLY TWO PER CENT BUT THIS IS STILL HIGH ENOUGH TO DISTURB ME'.

DR EFRAIM AHIRAM, DIRECTOR OF PLANNING AT THE MINISTRY OF ABSORPTION WARNED THAT A SLOW-DOWN IN THE ECONOMIC GROWTH WOULD SERICUSLY HIT IMMIGRATION .''

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DR AHIRAM BASED HIS FORECAST ON THE NATIONAL BUDGET WHICH WILL BRING A SOLOW-DOWN IN ECONOMIC ACTIVITY IN THE MIDDLE OF 1970 WITH A SLIGHT RISE IN UNEMPLYMENT OF ONE PER CENT OR TEN THOUSAND HALF OF THE CURRENT IMMIGRATION COMES FROM WESTERN COUNTRIES. THEY HAVE THE OPTION OF COMING OR NOT THE OTHER HALF IS ALSO ABLE TO CHOOOSE ANOTHER COUNTRY OF IMMIGRATION IF THE HEAR, THEY MIGHT HAVE DIFFICULTES IN ISRAEL IN FINDING EMPLOYMENT. DR AHIRAM URRGES DEVALUATION INSTEAD OF A RECESSION."

PAGE5

JOSEPH M MAZER, NEW YORK UJA LEADER, AND CO-OWNER
OF THE HEDERA PAPER MILLS, SAID AT THE NAMING CEREMONY
OF THE OFAKIM COMPREHENSIVE HIGH SCHOOL YESTERDAY."
I FEEL GREATLY MOVED AND I AM SO PROUD TO HELP THE CHILDREN
OF OFAKIM RECEIVE A HIGH SCHOOL EDUCATION." I LOOKED
BACK TWENTY YEARS AGO AS GOOD FORTUNE WHEN I
MET DR ASTORE MAYER OF ITALY
AND WE STARTED THE HADERA PAPER MILLS TOGETHER. BECAUSE THE
PAPER MILLS WAS SUCCESSFUL, WE BUILT THIS SCHOOL IN OFAKIM.
THE SCHOOL, THE FIRST COMBINATION RELIGIOUS AND GEN
-ERAL HIGH SCHOOL IN ISRAEL, IS NAMED ABRAHAM MAYER AND
SHLOMO SOLLY MAYER SCHOOL, I AN ISRAEL EDUCATION FUND PROJECT

HERE AGAIN

IS NAMED " ABRAHAM MAYER AND SHLOMO SOLLY MAYER SCHOOL.", AN ISRAEL EDUCATION FUND PROJECT . ELIEZER SHAVIT , IEF DIRECTOR , POINTED OUT AT THE CEREMONY THAT OFAKIM, AN IMMIGRANT DEVELOPMENT TOWN OF 10,000 DEEP IN THE NEGEV NEAR THE GAZA STRIP, ALSO WILL HAVE AN EDWARD GINSBERG PRE-KINDERGARTEN AND A SAMUEL RUBIN COMMUNITY CENTER , ALSO 1EF PROJECTS. EDUCATION MINISTRY OFFICIAL DR YAEL POSENER STRESSED THE IMPORTANCE OF THESE IEF SCHOOLS TO THE ABSORPTION AND INTEGRATION OF IMMIGRANT CHILDREN IN DEVE-LOPMENT TOWNS . WHILE OF AKIN BREADWINNERS ARE NEARLY ALL EMPLOYED, THERE ARE STILL VEXING PROBLEMS OF POVERTY AMONG LOW-EARNING BREADWINNERS AND ILLITERACY AMONG THE OFAKIM POPULATION, PREDOMINATELY FROM AFRICAN-ASIAN COUNTRIES SAID MAYOR YEHIEL BEN TOV, WHO LAUDED 1EF FOR HELPING TO RAISE THE EDUCATIONAL AND CULTURAL LEVEL OF LIFE IN THIS OUTLYING TOWN IN THE NEVEV.

GAMZEY"""

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TELEX
UJAPPEAL 62911 NEWYORK,

TWX. APRIL 6, NEWS IN BRIEF- IN HIS FIRST PROPOSAL

FOR ANY FORM OF TALKS, PRESIDENT NASSER IS SAID TO HAVE AGREED.

TO MEET WORLD JEWISH CONGRESS PRESIDENT NAHUM GOLDMANN IN CAIRO,
ON CONDITION THAT SUCH A MEETING WERE TO TAKE PLACE WITH THE
KNOWLEDGE AND APPROVAL OF THE ISRAEL GOVERNMENT AND THAT THE
FACT OF THE MEETING BE PUBLISHED. THE ISRAEL CABINET DECIDED

NOT TO APPROVE DR. GOLDMANNS MEETING WITH NASSER BECAUSE
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DECISION STRESSED THAT IT WOULD HAVE RESPONDED TO ANY SIGN OF
WILLINGNESS BY PRESIDENT NASSER FOR A MEETING TO CLARIFY
PROBLEMS WHICH ARE VITAL TO BOTH ISRAEL AND EGYPT, WHERE EACH
SIDE WOULD HAVE BEEN FREE TO CHOOSE ITS REPDESENTATIVES.

) ANY PROPOSAL TO TALK RATHER THAN SHOOT THAT COMES FROM CAIRO IS A
STEP FORWARD, YIID THE JERUSALEM POST.

AMBASSADOR YIZHAK RABIN SAID THE U.S.HAD BEEN SEEKING TO REACH BETTER UNDERSTANDING WITH CAIRO. GEN. RABIN SAID THAT MR SISCOS VISIT WAS LIKELY TO EXPOUND THE ROGERS PLAN ON HIS MIDDLE EAST TOUR. DURING THE TALKS WITH MR. SISSCO IN JERUSALEM NEXT WEEK, PREMIER GOLDA MEIR AND FOREIGN MINISTER EBAN ARE EXPECTED TO STRESS THE INCREASING SOVIET PENETRATION IN THE MIDDLE EAST.

TATAH LEADER YASSER ARAFAT CALLED FOR AN ARAB PEOPLES
WAR AGAINST ISRAEL AND ACCUSED THE ARAB COUNTRIES OF NOT GIVING
THE PALESTINIANS ALL THE HELP THEY NEEDED

T-5(2)

2-GAMZEY-TELEX-UJAPPEAL 62911 NEWYORK, APRIL6, 1970

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AIRCRAFT INDUSTRIES AMOS GINOR, SAID. GINOR THOUGHT THAT
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POLITICAL ACTIVISTS TO CONCOCT GRUESOME STORIES OF TORTURE AND ABUSE. TO ACCEPT SUCH STORIES WHOLESALE, WITHOUT ANY ATTEMPT TO INVESTIGATE THEM, SERVES NO PURPOSE AT ALL, AND TENDS TO REDUCE SHARPLY THE CREDIBILITY AND GENERAL IMPORTANCE TO BE GIVEN TO AMNESTY REPORTS AND INVESTIGATIONS ON OTHER OCCASIONS. THE AMERICAN SECTION OF AMNESTY DISSOCIATED ITSELF FROM THE PROCEDURE FOLLOWING BY THE LONDON SECTION. IT IS OBVIOUSLY IMPOSSIBLE TO CARRY OUT INVESTIGATIONS INTO THE ANONYMOUS CHARGES CONTAINED IN THE AMNESTY REPORT UNEXPECTEDLY PUBLISHED FRIDAY. THE LONDON HEAD OF AMNESTY ADMITTED THAT SOME ADMINISTRATIVE ERRORS WERE MADE IN THE PUBLICATION OF THE REPORT. POLICE MINISTER SHLOMO HILLEL UNEQUIVOCALLY ERIED THAT NO FORM OF BODILY ILL-TREATMENT OF TORTURE WERE TOLERATED IN THE FORCE, WHERE CLAIMS OF ILL-TREATMENT ARE MADE THEY ARE INVARIABLY INVESTIGATED AND THE OFFENDER PUNISHED. AVOWED TERRORISTS WORK NOT ONLY WITH THE BOMB AND GRENADE BUT WITH BIG AND LITTLE LIES AND SLANDERS, THE JERUSALEM POST SAID.

THE LONDON SUNDAY EXPRESS QUESTIONED WHETHER AMNESTY
INTERNATIONAL WAS INTERESTED IN TRUTH OR EFFECT WHEN IT PUBLISHED
ARAB CHARGES OF ISRAELI BRUTALITY. JUST HOW MUCH CONFIDENCE
SHOULD WE HAVE IN AMNESTYS INDICTMENT OF ALLEGED ISRAELI
ATROCITIES AGAINST ARAB PRISONERS? THE PAPER ASKED.
THE LONDON NEWSPAPER PEOPLE SAID IT DID NOT BELIEVE THE
ISRAELI GOVERNMENT ALLOWED SOLDIERS OR POLICEMEN TO TORTURE
ARAB PRISONERS, BUT SUGGESTED THAT AMNESTYS CHARGES
BE INVESTIGATED BY AN INTERNATIONAL PANEL.
ADD TO THE PRICE ISRAEL PAYS— CORPORAL MENAHEM OGLAR, 20
FROM MGDIEL WAS FATALLY WOUNDED BY EGYPTIAN FIRE ON THE SUEX

LATE NEWS BULLETIN: TWO ISRAELI SOLDIERS WERE WOUNDED SUNDAY.
ON THE CANAL.

CANAL SATURDAY NIGHT.

A GROUP OF WORKERS WAS SNIPED AT EAST OF KIBBUTZ ASHDOT YAACOV SUNDAY. A COVERING FORCE RETURNED THE FIRE.

ADD PRESS COMMENT. TELAVIV NEWSPAPER MAARIV SAID TODAY THUT ERIC ROULEAU, PARIS LE MONDE MIDDLE EAST CORRESPONDENT, AND THE YUGOSLAV AMBASSADOR IN

AND THE YUGOSLAV AMBASSADOR IN AIRO PROBABLY INITIATED THE CAIRO BID TO GOLDMANN. MAARIV ASSAILED GOLDMAN FOR HIS INVOLVING ISRAEL IN AN EMBARASSMENT BECAUSE IT PLACED NASSER IN A POSITION WHERE HE COULD SELECT WHO WOULD REPRESENT ISRAEL IN NEGOTIATIONS, AND HE WOULD DECIDE HOW IT COULD BE EXPLOITED THROUGH PUBLICITY. MAARIV SAID NASSER WANTED GOLDMAN TO COME AS A REPRESENTATIVE OF ISRAEL, WHOSE FOREIGN POLICY HE DISAGREES WITH, AND TO

WOULD REFUSE. TELAVIV OBSERVERS ALSO NOTED THAT NASSERS
SELECTION OF GOLDMAN IS ANOTHER ACT OF NON-RECOGNITION OF
THE STATE OF ISRAEL.

GOLDMAN TOLD YEDIOT ACHRONOT TODAY THAT HE REGRETTED THE ISRAEL GOVERNMENT REFUSAL BECAUSE IT PLACED RESPONSIBILITY UPON ISRAEL. GOLDMAN SAID THAT IF THERE IS A POSSIBILITY OF CONTACT WITH EGYPT, IT SHOULD BE ACCEPTED.

GAMZEY.

NNN+#27-003-)62911

# AMERICAN JEWISH ARCHIVES



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HERE BOOTH TLV PLSE

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TELX UJAPPEAL 62911 NEWYORK TWX APRIL 3, FROM THE FRONT -CHIEF OF STAFF GENERAL HAIM BAR-LEV DECLARED ON TELEVISION THAT IF YESTERDAYS MILITARY ACTION AGAINST THE SYRIANST THE SYRIANS DID NOT CONVINCE THEM TO RENEW AN EFFECTIME CEASEFIRE, ISRAEL WOULD BE FORCED TO INCREASE ITS ATTACKS. GENERAL BAR-LEV DEEMED YESTERDAYS STRIKE SUCCESSFULL DESPITE THE FACT THAT ISRAEL LOST A PLANE AND AN OFFICE, AND TWO PILOTS WERE TAKEN PRISONER. HE ADDED HOWEVER, THAT SUCH MILITARY ACTIONS HAVE A CUMULATIVE EFFECT. IF THEY WERENT IMPRESSED BY THE BLOWS THEY RECEIVED WE DON'T HAVE TO PUT A FULLSTOP AFTER THEM. ISRAELS DEFENCE FORCES IN THEIR HEAVIEST BLOW AGAINST THE SYRIAN ARMY SINCE THE SIX DAY WAR YESTERDAY CRACKED THE SYRIAN FIRSTLINE DEFENCES ALONG A TWENTY KILOMETER SECTION O THE CENTRAL GOLAN FRONT. THE COMBINED ONSLAUGHT BY THE ISRAELI AIRFORCE, ARTILLERY AND ARMOUED CORPS UNITS COST THE SYRIANS THREE MIG 21S SHOT DOWN IN DOGFIGHTS SOUTH OF DAMASCUS, AT LEAST FIFTEEN ARTILLERY AND ANTIAIRCRAFT BATTERIES (EACH CONSISTING OF SEVERAL GUNS) AND A NUMBER OF TANKS AND VEHICLES. HEAVY CASUALTIES ARE ALSO BELIEVED TO HAVE BEEN INFLICTED.

ISRAEL LOST A TWOSEATER AIRCRAFT. THE PILOT AND NAVIGATOR ILED OUT SOUTH OF DAMASCUS. THEY ARE PINHAS NAHMANI AND GIDEON MAGEN

AN ENGINEERING CROPS CAPTAIN WAS FATALLY INJURED BY THE SYRIAN COUNTERBOMBARDEMENT. HE WAS CAPTAIN DNIEL KAHAN, 25 OF RAMAT YISHAI.

THE DOGFIGHTS WERE FOUGHT AT LOW-ALTITUDES-BETWEEN
TWO THOUSAND AND TENTHOUSAND FEET. THIS BRINGS THE TOTAL OF
SYRIAN PLANES DESTROYED SINCE THE SIX DAY WAR TO TWENTY.

THE ACTION DISPROVED ANY RUSSIAN IDEAS THAT ISRAEL COULD NOT HANDLE THE SUEZ AND SYRIAN FRONTS AT THE SAME TIME.

AN ISRAELI COMMENTATOR SAID THE RUSSIANS WERE PRESSING SYRIA TO ACTIVATE ITS FRONT TO TAKE PRESSURE OF THE EGYPTIANS SO THAT THEY COULD INSTALL SA3 ON THE CANAL.

THE INTERNATIONAL RED CROSS RECEIVED NOTICE FROM SYRIA THAT THE ISRAELI ALLOT OF MELL

AND IN GOOD CONDITION THE TWO PILOTS WERE SHOWN ON TELEVISION SCREENS IN SYRIA LAST NIGHT. THEY WERE SMILING AND LOOKED WELL. THE JERUSALEM POST SAID " DURING THE PAST TWO MONTHS, SYRIA VIOLATED THE CEASEFIRE AGREEMENT ONEHUNDRED AND EIGHTYFIVE TIMES. SYRIAN AUTHORITIES GAVE WIDE PUBLICITY THAT THEY WERE NOW FULLY PARTICIPATING IN THE ONGOING WAR AGAINST ISRAEL. THEIR OFFICIAL ATTITUDE WAS SIMILAR. IF NOT IDENTICAL. TO THE POSTURE ASSUMED BY NASSER IN ANNONCING HIS WAR OF ATTRITION AND ABROGATION OF THE CEASEFIRE. CAIRO TURNED TO DAMASCUS IN THE HOPES THAT ACTION IN THE NORTH WOULD RELIEVE THE PRESSURE IN THE SOUT. DAMASCUS IS IN NO POSITION TO BAIL OUT CAIRO, AND CAIRO IS NO BETTER SUITED TO AID DAMASCUS. YESTERDAYS RESPONSE IN FORCE BY ISRAEL WAS AIMED TO PERSUADE THE SYRIANS THAT JUST AS THE WAR OF ATTRITION HAS BOOMERANGED ON THE CANAL FRONT SO STEPPED UP HOSTILITIES ON THEIR BORDER WILL LEAD TO VIGOROUS COUNTER MEASURES BY ISRAEL. WITH DAMAXSCUS FORTY MILES FROM THE FRONT THE SYRIAN HAVE EVERY REASON TO ACT WITH CAUTION. HE POST URGED REINSTATEMENT OF THE CEASEFIRE ON ALL FRONTS. IT IS TO THIS WHICH THE DPLOMATIC ACTIVITY IN NEW YORK AND WASHINGTON SHOULD ADDRESS ITSELF.

THE ISRAEL ARMY SPOKESMAN REVIEWING SYRIAN ARMY SCALATION OF AGRESSION ON THE BORDER COUNTED ONE HUNDRED AND EIGHTY FIVE SYRIAN ATTACKS, EITHER BY ARMY OR TERRORISTS FORCES ON ISRAELIS IN THE PAST THREE MONTHS. THESE INCLUDED FORTY ONE MORTAR SHELLINGS FOUR KATYUSHA ATTACKS NINE ARTILLERY AND TANK SHELLINGS FITY NINE BAZZOOKA ATTACKS, THIRTY CASES OF SMALL ARMS FIRING ELEVEN MININGS SIXTEEN CASES OF SABOTAGE, TWO AIR PENETRATIONS AND THIRTEEN CLASHES AND ATTACKS ON POSITIONS. THE ISRAEL ARMY SPOKESMAN EFERRED TO REPEATED OFFICIAL DAMASUS BOASTS OF SYRIAN ARMY SUCCESSES AGAINST ISRAELI FORCES ON THE GOLAN IN THE PAST WEEK ISRAEL PLANES ATTACKED EGYPTIAN MILITARY TARGETS ON THE SUEZ CANAL YESTERDAY FOR THIRTYMINUTES. ALL PLANES RETURNED SAFELY.

AN ISRAEL ARMY SENIOR OFFICER SAID HE DID NOT BELIEVE THE WASHINGTON POST REPORT THAT THE NINE EGYPTIAN MIG-21S SHOT DOWN BY ISRAELI JETS OVER THE SUEZ CANAL LAST WEEK WERE PILOTED BY RUSSIANS.

## NEWS IN BRIEF-

Via V

FRENCH FOREIGN MINISTER MAURICE SHUMANN SAID "NOONE
TODAY ASKS FOR UNCONDOTIONAL WITHDRAWAL BY ISRAEL FROM
THE OCCUPIED TERRITORIES. WHAT THE FOUR POWERS WANT,
HOWEVER, AND IS A MUST FOR ANY POSSIBLE SETTLEMENT OF THE
MIDDLE EAST CONFLICT, IS WITHDRAWAL
ACCOMPANIED BY GUARANTEES AS TO THE RIGHT OF EXISTENCE
AND JUST AND SAFE BORDERS FOR ALL COUNTRIES IN THE MIDDLE EAST".
THE RELEASE OF THE ONE-SIDED AND BLASED REPORT BY AMNESTY
INTERNATIONAL HAS SHOWN DISREGARD FOR EARLIER NEGOTIATIONS
WITH THE ISRAEL GOVERNEMENT WHICH WERE HELD IN AN ATMOSPHERE
O MUTUAL UNDERSTANDING FOREIGN MINISTRY

Via WUI Yia WUI

CIRCLES IN JERUSALEM SAID. THE LONDON DAILY TELEGRAPH CONDEMNED THE FACT THAT AMNESTY HAD BEEN UNABLE TO ENTER ARAB COUNTRIES TO CONDUCT A SIMILAR INVESTIGATION.

THE ISRAEL CABINET APPROVED THE SHIMON PERES PLAN TO IMPROVE THE WELFARE OF ARAB RESIDENTS AND REFUGEES OF THE ADMINISTERED AREAS.

THE PERES 1P AN PROVIDES MORE EMPLOYMENT, VOCAATIONAL TRAINING FARM DEVELOPMENT

HALTH EDUCATION AND WELFARE HOUSING AND CIVIL ENGINEERING. A MAGNETIC DETECTION DEVICE WHICH PINPOINTS ANY PASSENGER. CARRYING AN "EXCESSIVE " AMOUNT OF METAL - A HANDGRENADE, BOMB OR PISTOL - HAS BEEN INSTALLED AT LYDDA AIRPORT. HEBREW UNIVERSITY WILL ESTABLISH A SCHOOL OF BUSINESS ADMINISTRATION TO ANSWER ISRAELS NEEDS FOR TRAINED MANAGEMENT PERSONNEL. FINANCIER BERNARD CORNFIELD OF GENEVA UNDERTOOK TO COVER THE SCHOOLS EXPENSES FOR THE FIRST FIVE

EDUCATION MINISTER YIGAL ALLON SAID AT THE OPENING OF THE NEW HABIMAH AUDITORIUM " WE ARE DETERMINED TO HAVE A CULTURAL LIFE IN SPITE OF THREAT AND DANGER". THE EGGED BUS COOPERATIVE NOTIFIED JEWISH AGENCY OF ITS PREPAREDNESS TO EMPLOY QUALIFIED NEW NEW IMMIGRANTS. RABBI YI HAK ABU HATZIRA, 70 CHIEF RABBI OF RAMLE AND SPIRITUAL HEAD OF THE NORTH AFRICAN JEWISH COMMUNITY IN ISRAEL WAS KILLED YESTERDAY IN A ROAD CRASH. THREE OTHERS DIED.

FOUR HUNDRED AND NINE NEW IMMIGRANTS ARRIVED BETWEEN MARCH 29 AND APRIL 2.

LATE NEWS BULLETIN

IT WAS REPORTED TODAY FROM OBSERVATION POINTS THAT THE SYRIAN FRONT LINE FORTIFICATIONS APPEARED TO HACE SUFFERED DEVASTATION DEVASTATION AND WOULD TAKE A LONG TIME TO REBUILD. CONSERVATIVE ESTIMATES PLACED SYRIAN CASUALTIES IN THE HUNDREDS.

NO ISRAELI SOLDIER WERE WOUNDED YESTERDAY IN THE GOLAN ATTACKS. CONTRARY TO DAMASCUS CLAIMS OF HEAVY ISRAELI CASULTIES. ISRAEL PLANES WERE REPORTED TO HAVE DROPPED DOZENS OF TONS OF BOMBS IN EIGHT HOURS OF BOMBING ON THE SYRIAN FRONTLINE MAKING EXCELLENT HITS. SINCE 4.30 PM YESTERDAY NOT AN ARAB SHOT HAS BEEN HEARD ON THE GOLAN. MORANRTIERRETORS OFFINEBBUTSTGESBER FROMHEOJORDAN VALLEY. FIRE WAS RETURNED NO CASULTIES OR DAMAGE.

A HANDGRENADE WAS HURDLED AT AA EGED BUS IN THE CENTER OF

MALLAH THIS MORNING AT 5.30 AM NO ONE WAS HURT GAMZEY

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IRPT OVVVER LINE PLS

PM YESTERDAY NOT AN ARAB SHOT HAS BEEN HEARD ON THE GOLAN.
MORTAR FIRE WAS OPENED LAST NIGHT FROM JORDANIAN TERRITORY AT
KIBBUTZ GESHER IN THE JORDAN VALLEY.
FIRE WAS RETURNED NO CASULTIES OR DAMAGE.

NOW PLSE CFM IF WELL RECVD TKS

⊕ UJAPPEAL62911

> AMERICAN JEWISH ARCHIVES



UJA NATL NY MARCH 26, 1970

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## NEWS IN BRIEF

HERMAN KAHN, NOTED U.S. DEFENSE ANALYST, SAID AT TEL AVIV UNIVERSITY
THAT ISRAEL WAS IN FOR A PROTRACTED "CRUSADER TYPE" WAR. IN ALL
FIGHTING, INCLUDING THE FATAH ATTACKS ON VILLAGES NEAR THE LEBANESE
FRONTIER, ISRAEL LOST FORTY-FIVE LIVES IN THE FIRST TWO MONTHS OF THIS
YEAR AND SLIGHTLY MORE WERE WOUNDED. HE FORSESS NO SOLUTION TO THE
MIDDLE EAST CONFLICT WITHIN THE CONCEIVABLE FUTURE. ACCORDING TO KALHN,
ISRAEL WILL REMAIN A EUROPEAN ENCLAVE IN THE MOSLEM WORLD AND THE ARABS
WILL MISS NO OPPORTUNITY TO REGAIN IT. ISRAEL'S ANSWER SHOULD BE TO
CONTINUE OUTPACING THE ARABS IN TERMS OF ITS ECONOMIC GROWTH. ARAB
PRESSURE, SAID KAHN, HAD ITS POSITIVE ASPECTS. IT HELPED SHAPE THE
ISRAELI PERSONALITY - A HEALTHY ONE. ARAB HOSTILITY ALSO UNIFIES THE
ISRAELIS. KAHN ADDED THAT HE DID NOT THINK THE MIDDLE EAST CONFLICT
WOULD AT ANY STAGE INVOLVE NUCLEAR WEAPONS AND HE SAID THAT HE DID NOT
THINK THE RUSSIANS WOULD BECOME INVOLVED IN A DIRECT CONFLICT.

DIPLOMATIC SOURCES IN ISRAEL SAW LITTLE CHANCE OF ANYTHING POSITIVE EMERGING FROM THE RESUMED U.S.-SOVIET TALKS ON THE MIDDLE EAST. THE SOVIETS REVERTED TO CALLING FOR TOTAL ISRAELI WITHDRAWALS WITHOUT REAL PEACE, BLOCKED RESTORING THE CEASE FIRE AND PEACTED TO PROPOSALS ON LIMITING THE MIDDLE EAST ARMS RACE BY SENDING NEW SAM-3 MISSILES AND 1500 MISSILE TECHNICIANS TO EGYPT.

THE ISRAEL AERONAUTICAL INDUSTRY RECEIVED A 12-YEAR THREE PER CENT LOAN OF TWENTY MILLION MARKS (FIVE MILLION DOLLARS) FROM A GROUP OF GERMAN BANKS. LAST YEAR THE IAI RECEIVED A NINE MILLION DOLLAR LOAN FROM THE U.S.

## FROM THE FRONT

ISRAEL ACCUSED LEBANON AGAIN OF FLAGRANT VIOLATION OF THE CEASE FIRE THROUGH OPEN SUPPORT OF TERRORIST HOSTILITIES AGAINST ISRAEL. ISRAEL REJECTED LEBANON'S ARGUEMENT THAT CONTINUATION OF TERRORISM WAS INEVITABLE BECAUSE OF LEBANON'S INTERNAL PROBLEMS.

LAST NIGHT ISRAELI AIR FORCE PLANES ATTACKED EGYPTIAN ANTI-AIRCRAFT POSITIONS IN THE SOUTHERN SECTOR OF THE SUEZ CANAL AND A RADAR STATION ON THE NORTHERN END OF THE GULF OF SUEZ. ALL PLANES RETURNED SAFELY TO BASE.

ISRAELI PLANES AGAIN ATTACKED ARTILLERY AND ANTI-AIRCRAFT GUNS ON THE CANAL AND GULF OF SUEZ THIS MORNING FOR TWO HOURS. ALL PLANES RETURNED SAFELY.

ONE ISRAELI SOLDIER WAS WOUNDED IN AN EXCHANGE OF MORTAR FIRE ON THE SUEZ CANAL YESTERDAY.

AN ISRAELI BORDER POLICEMAN WAS WOUNDED THIS MORNING WHEN AN ISRAEL PATROL WAS ATTACKED BY LIGHT WEAPONS FIRE EAST OF NEVE UR. THE FIRE WAS RETURNED.

A TRUCK DRIVING SOUTH OF BE'ER MENUHA IN THE ARAVA WAS ATTACKED BY BA-ZOOKA FIRE AT MIDNIGHT ON WEDNESDAY. NO ONE WAS INJURED.

A NUMBER OF SHELLS WAS FIRED FROM JORDANIAN TERRITORY AT KIBBUTZ GESHER ON WEDNESDAY NIGHT. THERE WERE NO CASUALTIES OR DAMAGE. THE FIRE WAS RETURNED.

THE ISRAEL ARMY SPOKESMAN DENIED EGYPTIAN REPORTS THAT EGYPTIAN GROUND FORCES MADE A RAID INTO ISRAELI TERRITORY, CROSSING THE SUEZ CANAL.

#### THE OTHER FRONT

IF THE GOVERNMENT DOES NOT PAY GREATER SHARE OF THE COST OF MEDICAL CARE IN THE DEVELOPMENT AREAS IN THE SOUTH, KUPAT HOLIM MAY BE FORCED, TO CUT DOWN SERVICES, REUVEN KLUEGLER, DISTRICT DIRECTOR, NOTED THAT ONE THIRD OF KUPAT HOLIM'S NATIONAL DEFICIT, FOURTEEN MILLION POUNDS OUT OF FORTY-TWO MILLION POUNDS, IS ACCOUNTED FOR IN THE NEGEV, WHERE KUPAT HOLIM IS RESPONSIBLE FOR NEARLY ALL MEDICAL SERVICES (INCLUDING THE MAJOR HOSPITALS IN BEERSHEBA AND EILAT).

ISRAEL AGRICULTURAL EXPORTS FOR 1970/71 WILL TOP ONE HUNDRED AND FIFTY MILLION DOLLARS.

#### CAMPAIGN CURRENTS

THE FOLLOWING INFORMATION IS STRICTLY CONFIDENTIAL AND IS FOR INTERNAL USE ONLY:

NATIONAL CHAIRMAN LOUIS GOLDMAN ADDRESSED A BIG GIFTS PARLOR MEETING ON MARCH 24 IN COLUMBIA. S.C. 39 GIFTS WERE ANNOUNCED FOR THE FOLLOWING COMBINED TOTALS:

1967 1969 1970

\$71,200 \$143,600 \$165,250

YEHUDA HELLMAN ADDRESSED A BIG GIFTS MEETING IN JACKSONVILLE, FLA. ON MARCH 25. 36 CARDS WERE CALLED FOR THE FOLLOWING COMBINED RESULTS:

59,675 104,400

CHARLES GINSBERG INSPIRED THE COMMUNITY OF FT. WAYNE, IND. AT AN ADVANCE GIFTS MEETING ON MARCH 25. 45 PEOPLE ATTENDED AND 53 PLEDGES WERE ANNOUNCED FOR THE FOLLOWING COMBINED TOTALS:

98,255 117,250

DR. ROLAND MOSCOWITZ, A YOUNG LEADER FROM CLEVELAND, ADDRESSED A MEETING OF PHYSICIANS AND DENTISTS IN STAMFORD, CONN. ON MARCH 25. 39 GIFTS WERE ANNOUNCED FOR THE FOLLOWING TOTALS:

R 5,080 7,600 E 2,250 9,550

FORMER VICE-PRESIDENT HUBERT H. HUMPHREY ADDRESSED 370 PEOPLE WHO ATTEN-DED AN INITIAL GIFTS MEETING ON MARCH 25 IN HARRISBURGH, PA. 162 CON-TRIBUTIONS WERE PLEDGED. CAMPAIGN LEADERS ARE CONFIDENT THEY WILL SUR-PASS 1967 TOTALS.

\$1,153,679 804,000

\$1,112,000

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HERMAN KAHN, FAMOUS U.S. DEFENCE ANALYST SAID AT TEL-AVIV UNIVERSITY THAT ISRAELIS SHOULD ADOPT THE ATTITUDE THAT WAR CASUALTIES ARE 'USEFUL' DEATHS WHILE THE LIVES LOST ON THE ROADS WERE THE 'WASTED' ONES. PROF. KAHN PREDICTED ISRAEL WAS IN FOR A PROTRACTED 'CRUSADER TYPE' WAR. IN ALL FIGHTING INCLUDING THE FATAH ATTACKS ON VILLAGES NEAR THE LEBANESE FRONTIER, ISRAEL LOST FORTY FIVE LIVES IN THE FIRST TWO MONTHS OF THIS YEAR AND ONLY SLIGHTLY MORE WOUNDED. TRAFFIC LOSSES WERE EIGHTY TWO DEAD, SIX HUNDRED AND FOURTEEN WOUNDED. 'IF YOU WANT TO HAVE THESE FRONTIERS YOU WILL ALSO HAVE AN EXTRA FIFTY TO ONE HUNDRED DEATHS A YEAR. IF YOU HAVE ONE DEATH A WEEK ON YOUR FRONTIERS THAT'S THE SAME AS HAVING PEACE. PROF. KAHN FORESEES NO SOLUTION AT ALL TO THE MIDDLE EAST CONFLICT. WITHIN THE CONCEIVABLE FUTURE ISRAEL WILL REMAIN A EUROPEAN ENCLAVE IN THE MOSLEM WORLD AND THE ARABS WOULD MISS NO OPPORTUNITY TO REGAIN IT JUST AS THE JEWS HAD COME BACK AFTER AN INTERVAL OF THOUSANDS OF YEARS. THE HUDSON INSTITUTE SET UP A THREE-MAN PANEL, INCLUDING HIMSELF, TO STUDY THE PROBLEM. ISRAEL'S ANSWER SHOULD BE TO CONTI-NUE OUTPACING THE ARABS IN TERMS OF ITS ECONOMIC GROWTH. ARAB PRESSURE ON ISRAEL; HAD ALSO HAD ITS POSITIVE ASPECTS. IT HELPED SHAPE THE ISRAELI PERSONALITY- A HEALTHY FERSONA-LITY WHICH THE JEWS OF AMERICA AND ELSEWHERE DID NOT POSSESS. ARAB HOSTILITY ALSO UNIFIED THE ISRAELIS. HE DID NOT THINK THE RUSSIANS WOULD BECOME INVOLVED IN A DIRECT CONFLICT. KAHN DID NOT THINK THAT THE ISRAEL-ARAB CONFLICT WOULD AT ANY STAGE INVOLVE NUCLEAR WEAPONS.

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GOODTHOS IS TELAVIV BOOTH HERE LONG ONE FOR YOU

HAP Economis

UJAPPEAL 62911 NEWYORK TWX. APRIL 7. DEFENSE MINISTER MOSHE DAYAN TOLD A TEL AVIV STUDENT MEETING LAST NIGHT , IN ANSWER TO A STUDENTS QUESTION HOW LONG ISRAEL CAN KEEP UP THE WAR , " BY ITSELF , ISRAEL, AS A NATION OF 2-1/2 MILLION, CANNOT HOLD ON ALONE . I HOPE THAT AMERICAN JEWRY AND ISRAEL TOGETHER CAN CARRY THE BURDEN TO CONTINUE THE WAR AS LONG AS IS NECESSARY TO ACHIEVE PEACE ." DAYAN ADDED THAT IN WORLD WAR II, ENGLAND , FRANCE AND REQUIRED U. . AID BECAUSE NONE OF THOSE GREAT POWERS COULD STAND THE ECONOMIC BURDEN BY THEMSELVES ." IN ANSWER TO STUDENTS QUESTIONS AND IN HIS OPENING REMARKS BEFORE A CAPACITY CROWD , DAYAN MADE THE FOLLOWING POINTS: ISRAEL MUST DEVELOP PEOPLE TO PEOPLE . HUMAN RELATIONSHIPS BETWEEN JEWS AND ARABS IN THE OCCUPIED TERRITORIES , WORKING SIDE BY SIDE , LIVING TOGETHER IN COEXISTENCE, EACH MAINTAINING THEIR OWN CULTURE, RELIGION, LANGUAGE AND TIES WITH BROTHER JEWS OR ARABS IN THE WORLD . ISRAEL HAS MAEE GREAT PROGREES ALREADY, WITH OVER 25,000 ARABS FROM OCCUPIB OCCUPIED TERRITORIES WORKING INSIDE ISRAEL, AND LIVING CONDITIONS GREATLY IMPROVED IN THE ARAB AREAS, INCLUDING GAZA. ISRAEL BEGAN ITS AIR ATTACKS ON EGYPT JULY20, 1969 TO HALT EGYPT'S MASS ARTILLERY ATTACKS ON ISRAELI LINES ON THE SUEZ CANAL WHICH INFLICTED A HIGH OF THIRTY DEAD AND SEVENTY SIX WOUNDED LAST JULY. ISRAELS AIR SUPERIORITY VIRTUALLY SILENCED EGYPT'S ARTILLERY BARRAGES , CUTTING ISRAEL LOSSES TO A MOSTXX MONTHLY AVERAGE OF TEN TT TWELVE KILLED AND THIRTY TO FORTY WOUNDED. ISRAEL'S AIR VICTORY FORCED RUSSIATO BRING IN SA3 MISSILE. DAYAN SAID ISRAEL AVOIDS BOMBING CAIRO, ALEXANDRIA AND ASWAN DAM, MILITARY TARGETS ON THE SUEZ CANAL MUST BE BOMBED UNTIL EGYPT REINSTATES THE CEASE FIRE . HE HOPES RUSSIA ALSO WILL DIFFERENTIATE AND NOT PLACE SA3 AND RUSSIAN SOLDIERS ON THE CANAL. " I HOPE AND I AM CERTAIN THERE WILL BE NO WAR BETWEEN RUSSIA AND ISRAEL. I DONT WANT US TO KILL RUSSIANS AND I DONT WANT RUSSIANS SHOOTING AT OUR PLANES ."

AYAXX DAYAN WARNED AGAINST COUNTING ON AMERICA TO DETER RUSSIA.
"THE AMERICAN PUBLIC DOES NOT WANT TO GET INVOLVED MILITARILY."
ISRAEL MUST AVOID ESCALATING OR SPREADING THE WAR OR EXPANDING
THE PRESENT FRONTS.

HE SAID THAT ISRAEL WOULD NOT BOMB EGYPT'S MAIN CITIES OR ASWAN

DAN TO AVOID ENTANGLING RUSSIA FURTHER AGAINST ISRAEL.

# PAGE TWO

DAYAN SAID "WE MUST HOLD THE SUEZ LINE . WE MUST AVOID
HITTING RUSSIAN SOLDIERS AND THE RUSSIANS AVOID HITTING OUR PLANES.
THERE MUST BE A MODUS VIVENDI TO KEEP THE FRONT LINES .

DAYAN SAID EGYPT AND SYRIA AIR FORCES LOST ONE HUNDRED AND FIVE
PLANES SINCE THE SIX DAY WAR , AND MANY THOUSANDS OF ARAB
CASUALTIES . ISRAEL LOST TWENTY PLANES ON ALL FRONTS ,
IN ADDITION TO FIVE HUNDRED KILLED AND ONE THOUSAND FIVE HUNDRED

Ties WUI

THREE THOUSAND WOUNDED DURING THE SIX DAY WAR .

DAYAN SAID FATAH AND OTHER ARAB TERRORIST ORGANIZATIONS
HAVE CAUSED MORE TROUBLE TO THE ARAB STATES THAN TO ISRAEL, AND
RECENTLY FAR MORE CASUALTIES TO GAZA ARAB THAN TO ISRAELIS. THE
TERRORISTS HAVE COMPLETELY FAILED TO INSTIGATE ANTI-ISRAEL REVOLT
IN THE OCCUPIED AREAS. INSIDE ISRAEL, TERRORISTS
PULLED OFF ONLY ONE INCIDENT IN THE PAST SIX MONTHS. ISRAEL
CASUALTIES TO TERRIRISM SINCE THE SIX DAY WAR ARE TWENTY THREE
KILLED, AND FIVE HUNDRED SEVENTY SEVEN WOUNDED, ARABS TERRORISTS
WOUNDED SEVEN HUNDRED FIFTY EIGHT ARABS.

IN THE WAR AGAINST TERRORISM, ISRAEL FORCES KILLED EIGHT HUNDRED EIGHTY FIVE ARAB TERRORISTS AND WOUNDED TWELVE HUNDRED SINCE THE WAR . ISRAEL BORDER SETTLEMENTS HAVE BEEN FORTIFIED AND STRENGTHEN —ED, CUTTING CASUALTIES AMONG SETTLERS TO ONE WOUNDED IN THE PAST THREE MONTHS . NINE BORDER SETTLERS WERE KILLED AND FOURTY FOUR WOUNDED SINCE THE WAR . .

REGARDING NAHUM GOLDMANN CONTROVERSY, DAYAN SAID ISRAEL CANNOT DO MORE THAN IT IS DOING TO SEEK PEACE. THE KEY IS IN THE HANDS OF THE GREAT POWERS AND THE ARABS. DAYAN SAID GOLDMANN COULD GO TO CAIRO AS A PRIVATE CITIZEN BUT ISRAEL WILL DECIDE WHO WILL REPRESENT THE STATE IN TALKS WITH NASSER.

EGYPT OFFICIALLY DENIED THAT GOLDMAN HAD BEEN INVITED TO CAIRO. THE EGYPTIAN NEWSPAPER AL AHRAM TODAY SAID EGYPTIANS WERE SHOCKED BY THE THOUGHT THAT ANYONE HAD INVITED GOLDMANN TO CAIRO.

PAGE THREE

PREMIER GOLDA MEIR SAID THE FOUR-POWER AND TWO-POWER TALKS ON THE MIDDLE EAST ARE A 'FATAL ERROR' ON AMERICAN'S PART BECAUSE THEY RELIEVE THE ARABS, PARTICULARLY PRESIDENT NASSER, OF ANY RESPONSIBLITY FOR FINDING A WAY TO PEACE. THE U.S. WANTS PEACE THAT IS FAIR TO ALL. BUT HER PARTNER IN THESE TALKS IS AN ENEMY OF ISRAEL, MRS MEIR SAID.

ISRAEL INFORMED THE U.N. THAT ITS ATTACK LAST THURSDAY
ON SYRIAN MILITARY POSITIONS WAS AIMED AT THWARTING INTENSIFIED
SYRIAN AGGRESSION.

POLICE MINISTER SHLOMO HILLEL SAID ISRAEL HAS NO LONGER
ANY FIATH IN AMNESTY INTERNATIONAL' FAIRNESS OR GOOD WILL.

'I REPEAT UNEQUVOCALLY THAT WE DO NOT USE TORTURE' MR HILLEL
SAID. "THIS ATROCITY PROPAGANDA IS AN INTEGRAL PART OF THE
WAR BEING WAGED BY THE ARAB STATES AGAINST ISRAEL."

THE ISRAEL DEFENCE FORCES WILL CONTINUE TO EXERT PRESSURE ON THE EGYPTIANS IN ORDER TO INDUCE THEM TO SHOW RESTRAINT, GENERAL DAVID ELAZAR, CHIEF OF THE GENERAL STAFF 'G' BRANCH, TOLD MILITARY CORRESPONDENTS.

ALTHOUGH THERE WILL BE NO INCREASE IN THE CONSCRIPTION PERIOD
THE NUMBER OF FIELD UNITS WILL BE INCREASED BY WEEDING OUT SERVICE
AND REAR UNITS AND BY CALLING UP RESERVISTS MORE OFTEN.
HOWEVER, RESERVISTS WILL NOW BE COMPENSATED FOR LOSS OF INCOME
UP TO ONE THOUSAND, FIVE HUNDRED POUNDS, (THE FORMER CEILING

PAGE FOUR

THE NUMBER OF WOMEN SOLDIERS WILL BE INCREASED AND WOMEN WILL TAKE OVER A NUMBER OF TASKS , NOW DONE BY MEN- DRIVING , OPERATING RADIOS AND OTHER COMMUNICATIONS EQUIPMENT , SERVING IN KITCHENS , MESS HALLS AND SHEKEM CANTEENS . ELAZAR SAID THE TERRORIST GANGAZ WERE CONSTANTLY IMPROVING THEIR TECHNIQUES . ZAHAL CONTINUES TO OUTPACE THEM, HOWEVER, WITHOUT NECESSARILY DEPLOYING MORE MEN.

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FROMTHE FRONT - AN ISRAEL SOLDIER WAS WOUNDED IN AN EXCHANGE OF FIRE ON THE SUEZ CANAL MONDAY.

THE ISRAEL ARMY SPOKESMAN DENIED A CAIRO CLAIM OF A SUCCESSFUL EGYPTIAN COMMANDO ATTACK SUNDAY AGAINST AN ISRAELI MILITARY CAMP IN SINAI.

RUSSIAN PILOTS ARE FLYING EGYPTIAN PLANES TO PROVIDE EGYPT WITH AN EFFICIENT AIR COVER IN CASE OF A POSSIBLE ISRAELI ATTACK. REPORTS ' LE MONDE' . ERIC ROULEAU REPORTED FROM CAIRO THAT A SMALL NUMBER OF SOVIET PILOTS ARRIVED IN EGYPT IN THE FIRST HALF OF FEBRUARY TO UNDERTAKE THIS TASK.

THE ISRAEL ARMY SPOKESMAN ANNOUNCED THERE WERE TWO HUNDRE ANDXX HUNDRED AND FOUR INCIDENTS NOT INDIVIDUALLY ANNOUN -CED FROM MARCH 29 TO APRIL 4. THERE WERE TWENTY INCIDENTW OFFICIALLY ANNOUNCED . THE UNANNOUNCED INCIDENTS WERE SIXTY THREE-JORDANIAN SECTOR ; ONE - LEBANESE FIVE- SYRIAN; ONE HUNDRED AND THIRTY TWO - EGYPTIAN; For. Currency THREE -GAZA STRIP.

THE OTHER FRONT-

FOREIGN CURRENCY RESERVES HAVE NOT FALLEN IN THE FIRST QUARTER OF 1970 AND STOOD AT THREE HUNDRED AND EIGHTY MILLION DOLLARS ON MARCH 31. THEY WOULD PROBABLY FALL BY SOME FIFTY MILLION TO ONE HUNDRED MILLION DOLLARS DURING THE YEAR ACCORDING TO THE BUDGET FORECASTS. AT THE END OF 1968, ISRAEL'S FOREIGN DEBT WAS ONE THOUSAND , NINE HUNDRED MILLION DOLLARS . AT THE END OF JANUARY 1970, IT WAS TWO THOUSAND AND TWO HUNDRED MILLION DOLLARS .

PAGE FIVE

MORRY KRANTZ MESSAGE TO HOWARD STONE . HAVE JUST LEARNED FROM PIO OF BOSTON GLOBE EDITOR THOMAS WINSJP ARRIVAL HERE AGAIN

MORRY KRANTZ MESSAGE TO HOWARD STONE . HAVE JUST LEARNED FROM PIO OF BOSTON GLOBE EDITOR THOMAS WINSHIP ARRIVAL HERE NEXT WEEK. PLEASE INFORM IRVING BERNSTEIN THAT I PERSONALLY KNOW WINSHIP 2. IN ALL CANDOR , PIO AND GOVERNMENT NOT HAPPY TO RECEIVE DIRECT LETTERS FROM RAY LEVY CONCERNING

VIP JOURNALISTS .

3. ALL REQUESTS CONCERNING VISITING JOURNALISTS SHOULD BE CHANNELED THRU ME . 4. PLEASE ASK IRVING WHY I WAS NOT ADVISED OF WINSHIP'S ARRIVAL.

5. PLEASE HAVE IRVING TELEX CHAIM THAT I SHOULD BE INFORMED OF WINSHIP ARRIVAL SO I CAN MEET AND GREET HIM AT LYDDA . REGARDS. MORRY KRANTZ.

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AMERICAN JEWISH ARCHIVES