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Series H: United Jewish Appeal, 1945-1995.

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Israel. Government request for private loans. 1956.

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NOTES ON ISRAEL GOVERNMENT REQUEST FOR PRIVATE LOANS

Sunday, April 29, 1956

Teddy Kellek, who is leaving tonight to return to Israel, called Friedman and said he had just received a telegram from Ben Gurion, along the following lines:

"There are tangible grounds for assuming that Nasser will attack in June or July. It is possible to equip all units and to get a number of jet planes soon on condition of cash payment. We have talked to Goldmann and Josephthal. We need by all methods to get \$35 million within a very short time in this country and \$10 million elsewhere. Request you talk to Friedman and get group of important leaders to come this week discuss this matter."

It is also understood that the cable suggested the names all persons to come to Israel immediately on this particular matter. These names included Friedman, Berinstein, Rosenwald, Warburg, Daroff, Jacob Blaustein and several others. No mention was made of Dr. Schwartz or anybody else in the Bond organization.

A meeting was arranged for 8 o'clock tomorrow morning between Mr. Friedman and Ambassador Egan.

Late in the evening Mr. Friedman met at the office with Jacobs, Brissman, Biele and Goldstein in order to determine how much money the WJA could make available within the next 30 or 60 days. It was felt that with the real need that exists a sum of about \$25 million, including Special Fund money, regular fund money and the Loan money, could be made available to Israel in about 60 days.

Kollek also asked Dr. Schwartz tonight. It is understood that Dr. Schwartz was somewhat put out that his name was not mentioned in the cable. In any event, he said that the Bond Drive could probably produce about \$10 million.

MSG

5/4/56

Notes on Israel Government Request
Monday, April 30, 1956

Mr. Friedman met with Eban at breakfast this morning and they went over the cable Kollek had received from Mr. Ben Gurion. Mr. Friedman asked Mr. Eban whether this was or was not a campaign telegram. Eban was inclined to think that it might be. He said, however, that if there is tangible evidence that Nasser will attack in June or July, then he wants to know what this tangible evidence is and wants to go before the Security Council. He also said that if the Israel Intelligence Service has any evidence about this then other intelligence services operating in the area, such as the British, the American and the French, also have information and he would want to take that up with them. Mr. Eban said, therefore, he was cabling Israel to learn what the new evidence is that Nasser will attack in June or July.

Mr. Friedman, in the conversation, said it was important to know what the tangible evidence is although he said he was not asking for secret military information. He said that the suggestion that the UJA bring six or eight people over to meet with Mr. Ben Gurion means that this is a very serious matter and we don't want to beg off it if it is felt that this is very crucial. Mr. Friedman wondered, however, why it is necessary for these people to go over unless this is just an idea to get them excited about the need so that they will work harder in the campaigns. On the other hand, if there is certain information that can be made available only in Israel, then Mr. Friedman said that he would be prepared to fly to Israel immediately.

Mr. Eban was inclined to feel that the group should not go at this time and he said that he would attempt to obtain additional information.

Mr. Friedman met with members of the staff during the entire morning and it was felt that the situation being so unclear, it would be best for a telephone call to be placed to Dr. Josephthal in Jerusalem. This was done

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and Dr. Josephthal, to whom Mr. Friedman spoke at about 1.30 p.m., was very reluctant to speak except to say that the need is great and that a group should come over immediately. Mr. Friedman said that the campaign is in full swing and if a group comes over now it would be very harmful to the campaign. Dr. Josephthal said very strongly that the campaign can wait a week. Mr. Friedman said he could consider this and would be in touch with him in a day or two. Dr. Josephthal said that he was going to see Ben Gurion right away and would tell him that Mr. Friedman is thinking about it. Dr. Josephthal said that Mr. Ben Gurion could send General Yadin over but nobody higher than Yadin. Mr. Friedman told Dr. Josephthal that Yadin would not be effective. By this time it became relatively certain that Israel was after a sum of some 35 to 40 million dollars over and above the sum of about 25 million it expected to receive from the United Jewish Appeal and the sum of some 10 million dollars it might receive from the Bond organization, and that Israel thought this money could be obtained by either borrowing it from individuals on a short term basis or having individuals borrow on their own from banks. Discussions in the office brought out that this was quite out of the question. The last time these loans were tried back in 1954 the total outstanding at any time was just over 4 million dollars.

At 2.30 in the afternoon Mr. Friedman met with Mr. Sapir whom he had called and asked to come to the office. Mr. Friedman explained the situation to Mr. Sapir who agreed with Teddy Kollect's view that there would be no sense in having a group go over to Israel at this time. He said he was going to cable Israel to this effect. Sapir said he would also ask to have Sharett, Eshkol or Josephthal come here for a week and that they could help assure the success of having the UJA get 25 or 30 million dollars, as well as explain the new problem that is confronting Israel. He also said that he would mention in his cable to Israel that the fact that no mention had been made of the Bond group in the original Ben Gurion cable to Kollect was a mistake.

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Notes on Israel Government Request
Monday, April 30, 1956 -- Page 3

It was also decided today with Mr. Eban that he would meet with a group of our leaders, probably on Friday morning at the Consulate, after he received some word from Israel.

MSG
5/4/56



Notes on Israel Government Request
Tuesday, May 1, 1956

Mr. Eban informed Mr. Friedman that he had received a cable from Ben Gurion agreeing with the notion that nobody from here need go to Israel. He said in this cable that he has consulted with about 20 of (we understand) UJA's best people now attending the Congress and they said that in this awful crisis if Mr. Ben Gurion feels that a war is coming and jet planes can be bought, their advice is that there be a meeting of the 100 top, central, richest, crucial people in America and they should be approached to make 40 million dollars worth of private loans available to the government. Of those now at the Congress, two or three said they would be willing to come to the United States to help get this started. The cable also said that before that meeting takes place, there should be an inner meeting of the UJA, the Bonds and the Montor group. (This is the first time the Montor group is mentioned.)

There was some discussion in the office about this, and telephone discussion with some of our leaders. Everybody felt, particularly Bill Rosenwald, that it would be all wrong to have Montor attend such a meeting because everybody feels very strongly that this project cannot be implemented and if Montor is there he will say he will do it. It was agreed, therefore, that Montor cannot be invited and Eban was so informed.

The meeting to take place tomorrow will be attended by Warburg, Rosenwald, Schwartz, Friedman, Abe Feinberg, Dewey Stone, Jack Weiler, Morris Berinstein, Henry Bernstein.

MSG
5/4/56

Notes on Israel Government Request
Thursday, May 3, 1956

At the WR staff meeting this morning this entire matter was discussed in detail. Copy of the minutes attached.

Ambassador Eban's secretary was informed that it would probably be better to hold the meeting on or about May 26th and that the best plan would be to have Mr. Ben Gurion here for the period May 26th through May 31st.

At the 12.35 p.m. the secretary said that she had informed the ambassador who would send another cable with this suggestion. She also said the reply was expected by about 2 o'clock.

At about 12.00 o'clock the consulate called and said that they had a coded wire for Mr. Friedman. We sent for it and received it at about one o'clock. This was a cable from Giora Josephthal dated May 3, 1956, the rough translation being as follows:

"UNDERSTAND YOU ARE NOT ABLE TO ARRANGE A DELEGATION TO COME HERE. THE HEAD OF THE GOVERNMENT HAS DECIDED SEND YADIN AND MYSELF FOR SEVEN DAYS TO AMERICA IN ORDER TO ACHIEVE THIRTYFIVE MILLION DOLLARS WHICH IS SOUGHT FOR THE SAKE OF IMMEDIATE PURCHASES. THE SUCCESS OF THIS MISSION IS DEPENDENT UPON YOUR ABILITY TO ORGANIZE A CLOSED MEETING IN NEWYORK AND PERHAPS IN ANOTHER TWO OR THREE PLACES OF MEN TO WHOM IT WILL BE POSSIBLE TO SPEAK OPENLY CONCERNING GIFTS OR LOANS (?) IN CASE IT SHOULD NOT BE POSSIBLE TO ACHIEVE FULL SUCCESS WITH REGARD TO GIFTS (?) (WE ARE PREPARED) TO ACCEPT FIVE YEAR LOANS. WE ARE CERTAIN THAT THERE ARE TO BE FOUND PEOPLE WHO UNDER THESE CONDITIONS WOULD BE READY TO UNDERTAKE PRIVATE LOANS WITH BANKS IF THEY DO NOT HAVE CASH. IT IS TERRIBLY IMPORTANT THAT THE RANKS BE CLOSED (TO ACHIEVE) THIS OBJECTIVE; THAT IS, SILVER AND THE MEN OF THE BONDS AND MONTOR AND HIS GROUP. DETERMINE IF AND WHEN YOU ARE ABLE TO ORGANIZE THESE MEETINGS. DETERMINE AFTER CONSULTATION WITH SCHWARTZ IF YOU WANT TO MAKE CONTACT DIRECTLY WITH SILVER AND THE MONTOR GROUP OR IF YOU DESIRE THAT WE SHOULD TURN TO THEM FROM HERE. SHOW THIS CABLE TO SAPIR AND EBAN."

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Mr. Friedman discussed this telegram with Mr. Rosenwald when it was received. Later he spoke with Dr. Schwartz about it by telephone. Dr. Schwartz said he was quite confused.

Mr. Friedman called Mr. Eban and read the telegram to him. Mr. Eban said he does not understand why Israel keeps bringing up Montor from their end because the entire matter must be handled on this side. In this connection Mr. Eban said that he had just written a letter to Mr. Montor saying that he wants to speak to him because he has not been able to get to him on the telephone. Eban kept saying to Mr. Friedman that this is a problem to be decided here and he seemed quite annoyed that Montor is being pushed by the people in Israel. Mr. Eban also agreed that this cable just received from Josephthal evidently had crossed with the one he had sent to Jerusalem last night, which, Mr. Eban said, covered the following points:

- (1) After meeting yesterday he was transmitting information that the leaders assembled agreed that the method of private loans was not a correct method.
- (2) If anything further could be done, it would require spreading the full story here about the imminence of danger which must be told without any wraps on it.
- (3) That Government ought to be prepared to accept the consequences of whatever it implied in telling the story fully and openly and decide whether they want that to be done.
- (4) That current existing programs represented a saturation point of effort and that anything further would have to be stimulated only by the visit of very top people, including Ben Gurion, and Mr. Eban made a strong push for Ben Gurion to come.
- (5) Having urged them to send top people, Mr. Eban still wanted to warn the people in Israel that he was very hesitant about making a prognosis of what new extra money could be raised.

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Notes on Israel Government Request
Thursday, May 3, 1956 -- Page 3

Mr. Friedman said that he did not feel he could ask Dewey Stone for a copy of his letter and he felt that he should still write to Josephthal because he owed it to him on a personal basis. This is the letter mentioned in notes of Wednesday, May 2.

MSG
5/4/56



May 4, 1956

note for the files

On May 2nd following the meeting at the Consulate, Mr. Friedman told me that he walked from the Consulate to the Harmony Club with Bill Rosenwald and talked with him about the fact that \$40,000,000 does make a great difference between life and death - or \$35,000,000. Mr. Friedman told me that he said to Mr. Rosenwald that he didn't like the person who said to him "if we have to get \$35,000,000 in private loans, or Israel will die, then Israel will die". Mr. Rosenwald said he didn't like that either.

Mr. Friedman asked Mr. Rosenwald whether he thought it is possible, and Mr. Rosenwald said he thought it would be possible and then said to Mr. Friedman "you want to, don't you?" and Mr. Friedman replied, "yes; I do".

Mr. Rosenwald then said, according to Mr. Friedman, "all right, let's you and I have an understanding that after we have exhausted every possibility, if three months from now we want to look into this matter, let's you and I remember we want to do it".

MSG/jc

Notes on Israel Government Request
Monday, May 7, 1956

Mr. Friedman spoke with Mr. Eban today by telephone. Mr. Eban said that he had met with Mr. Montor either that morning or a day or two before. Mr. Montor agreed fully that there would be no purpose served by borrowing money from individuals. The sum to be made available in this way would not be large enough to make any difference.

Mr. Eban also told Mr. Friedman that point No. 1 re-tangible evidence that Nasser would attack was becoming less important. Point No. 2 regarding the Purchase of airplanes and supplies was becoming more important. Mr. Eban said that things were moving much more quickly and there is now an opportunity to effect purchases and money is needed to pay for them on a cash basis.

AMERICAN JEWISH ARCHIVES



Notes on Israel Government Request
Tuesday, May 8, 1956

Henry Bernstein told Melvin Goldstein today that he had heard from Esther Herlitz that the personal loan idea had been dropped. He had no further information.

The following cable was received from Dr. Josephthal today:

"STILL WITHOUT ANSWER MY CABLE"

to which we replied as follows:

"ASSUME YOUR MAY THIRD CROSSED EBANS MAY SECOND REPORTING OUR MEETING WITH HIM AND SAPIR AND SETTING FORTH OUR RECOMMENDATIONS AND VIEWS WHICH COINCIDENTALLY REFERRED TO MOST POINTS RAISED YOUR MAY THIRD STOP EBAN HAS BEEN AWAITING ADVICE WHICH WE ASSUME WILL CONTAIN REFLECTION YOUR VIEWS AS WELL AS OTHERS STOP FRANKLY HAVE BEEN MUCH CONCERNED WHY NEITHER EBAN NOR WE HAVE RECEIVED ANY WORD SINCE MAY THIRD HOPE SOME NEWS FORTHCOMING SOON".

Notes on Israel Government Request
Wednesday, May 9, 1956

The following cable was sent to Kollek:

"TERRIBLY CONCERNED NO REPLY ERAN CABLE MAY SECOND TRANSMITTING OUR VIEWS
STOP WOULD APPRECIATE SOME INDICATION YOUR THINKING BASIS ERAN REPORT ENABLE
US PLAN PROGRAM NEXT WEEKS".



Notes on Israel Government Request
Thursday, May 10, 1956

Eban called Mr. Friedman this morning and said he had received a cable from Israel stating that Josephthal and somebody else was coming to the United States. Mr. Eban said he did not know when. He asked Mr. Friedman and Dr. Schwartz to come to Washington to meet with him to discuss this latest cable. It developed, however, that Dr. Schwartz was unable to go today and the appointment was fixed for Friday, May 11.

Immediately thereafter, the following cable was received from Teddy Kollek:

"AFTER YOUR CABLE TO GIORA I IMMEDIATELY CABLED EBAN FOR TRANSMISSION TO YOU AND MORROWER WROTE YOU"

Miss Herlitz called Mr. Friedman today and said that the message Mr. Eban had received from abroad had been sent by Teddy Kollek and the cable had contained the following points:

1. Ben Gurion will not come to the United States.
2. Josephthal and Shimon and Peres, the Director-General of the Ministry of Defense, to come at once.
3. No short term loans from individuals but special effort through Special Fund, Consolidation Loan and Bonds.
4. After Josephthal's visit, they will be ready to send four or five top defense people.
5. Do not use date of possible attack in June or July, but stress purchases.
6. Let those who participated in the discussion know the contents of this cable.

NOTE FOR FILE ON POSSIBLE MEETING IN THIS COUNTRY SOME TIME IN MAY

The following are notes on Mr. Friedman's conversation with Rabbi ^AIsrael Goldstein following the latter's return to the US from the Zionist Congress in Jerusalem.

Ben Gurion met with several representatives who were attending the Zionist congress in Jerusalem. The group included four Americans-- Mrs. Rose Halprin, Mr. Louis Segal, Rabbi Israel Goldstein and Mr. Emanuel Neumann. Also present at that meeting were Messrs. Eshkol and Dr. Josephthal.

Mr. Ben Gurion left these people with a mixed impression as to whether or not there would be a war in June or July; that is, that some of these people got the impression that there would be a war and others did not. Mr. Ben Gurion said that the Government of Israel had contracted for \$59,000,000 worth of arms and that this involved almost 100% cash purchases. The Government had just put up \$8,000,000. The Government, said Mr. Ben Gurion, did not see where the rest of the money was coming from. That is the reason why Mr. Ben Gurion was meeting with this particular group. The Government, said Mr. Ben Gurion, figured the difference between what they expected to come in from the United Jewish Appeal and other sources and the \$59,000,000 required for these purchases was a balance of \$35,000,000 which was the additional sum which the Government required. Loosely worked out, it may be said that the total required was \$59,000,000 against which they expected \$25,000,000 from the United Jewish Appeal, leaving a balance of \$35,000,000, and this is the sum that Mr. Ben Gurion was asking for.

Mr. Ben Gurion thought that there might be three ways or one of three ways in which this additional sum of \$35,000,000 might be obtained:

1. Through loans from the welfare funds in the United States
2. Through loans from individuals
3. Through a bigger Bond effort.

The group answered Mr. Ben Gurion by saying that it would not be feasible to obtain extra money through welfare funds through loans because everything possible is being done in that direction. The group said that they knew there was a possibility of borrowing money from individuals because that had been done in the past. However, no one present seemed to know just how much, or, how little, had been borrowed from individuals in this way in the past. The suggestion was made to Mr. Ben Gurion that there were a great number of synagogues in the United States that were free and clear of mortgages, and these synagogues might be persuaded to borrow money on mortgages and loan the money to the Government of Israel. It was made clear to Mr. Ben Gurion, however, that the more important and wealthier congregations in the United States were administered by Boards of Directors or Boards of Trustees that were rather conservative in their outlook and would not look well upon assuming mortgages in order to loan money to the State of Israel. The smaller synagogues which were mostly orthodox and which might be more inclined to lend money to the Government of Israel were usually not free and clear.

Mr. Friedman said that he told Rabbi Goldstein that he was very much surprised that this group had undertaken to discuss this matter with Mr. Ben Gurion. In the first place, said Mr. Friedman, this group was not at all familiar with fund raising techniques and the details of the fund raising efforts being conducted in the United States and were not in a position to discuss so important a matter with the Prime Minister. In the second place, the members of this group should have

told Mr. Ben Gurion that they were not in a position to discuss so important a matter with him. In the third place, said Mr. Friedman, he was very surprised to note that although Dr. Josephthal and Mr. Eshkol were present at this meeting, they did not make it known to Mr. Ben Gurion that private loans which were contracted some years ago did not amount to very much and that there was no great possibility of producing much in this way in the United States in the future. These figures, after all, are available in Israel and are known to Dr. Josephthal and to Mr. Eshkol.

Rabbi Goldstein then reported to Mr. Friedman that following this Mr. Ben Gurion said that a delegation of these members of the Zionist Congress should leave the Congress immediately and proceed to the United States to dramatize the emergency. Mr. Ben Gurion felt that should some of the important delegates to the Congress leave for the United States immediately, this would indicate to the Jewish population in this country how important this matter was. The group, however, convinced Mr. Ben Gurion that a trip to the United States by these delegates would not serve to bring a good deal of money in.

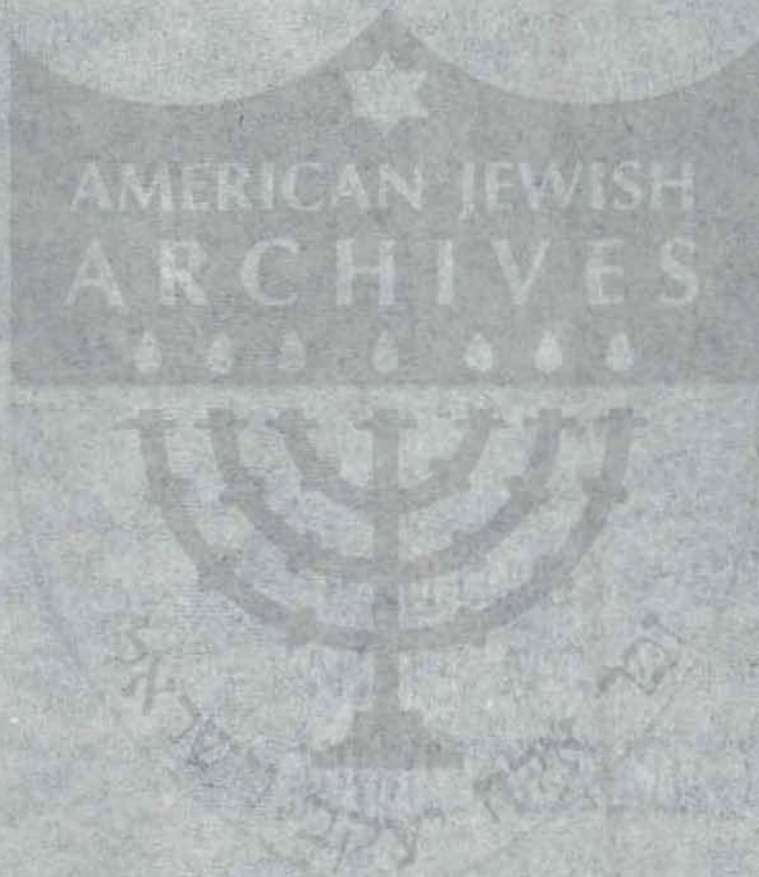
The group then suggested to Mr. Ben Gurion, said Rabbi Goldstein, that Mr. Ben Gurion should come to the United States, and Mr. Ben Gurion replied that it was absolutely impossible for him to leave Israel at this time, and he refused to do so. The group pressed this point and Mr. Ben Gurion said that although he could not leave, he would agree to instruct General Yadin to go to the United States. Mr. Ben Gurion also mentioned the possibility of having Gimpa Josephthal and General Dori come to the United States. (Mr. Friedman said that he told Rabbi Goldstein that the group should have told Mr. Ben Gurion that General Yadin is not a top emissary in the same sense that Mr. Ben Gurion is a top emissary.)

Rabbi Goldstein reported to Mr. Friedman that Mr. Ben Gurion ^{had} wanted to summon a number of important Americans to Israel, but the group talked him out of that because Mr. Ben Gurion was told that it would be foolish to attempt to do anything like that at this time.

Mr. Friedman said that he told Rabbi Goldstein that the fact of the matter is that Mr. Ben Gurion realizes he requires \$49,000,000 and has only \$8,000,000 against that sum. Mr. Ben Gurion called that group to advise him, and Mr. Friedman said that the members of that group do not know anything about the subject and are not equipped to provide Mr. Ben Gurion with the answers he is seeking. He said to Rabbi Goldstein that the fact of the matter is that the group does not appreciate its own inadequacies. Mr. Friedman said that Ben Gurion begins sending cables to the United States on the basis of his conversations with the members of the group and although Mr. Friedman would do anything Mr. Ben Gurion might want, the fact is that the UJA people here receive a cable from Ben Gurion stating in effect that the world is coming to an end, and then everybody jumps and the UJA plans a big meeting after having a meeting with Mr. Eban to discuss this matter, and then our entire group has to wait for eight days and during those eight days we hear absolutely nothing from Israel. It therefore becomes obvious to Mr. Rosenwald and to everybody else here that things cannot be very serious in Israel, and the UJA will merely continue to do its job and raise whatever money it possibly can, and it isn't necessary to divert any of our efforts in connection with any of the schemes which do not ~~not~~ seem level. It also becomes quite obvious, said Mr. Friedman, that the original message received from Mr. Ben Gurion was not carefully thought through and there has been no subsequent message. So nobody in the United States is taking any of this very seriously.

Notes on Israel Government Request
Friday, May 11, 1956

Israel Goldstein returned from the Zionist Congress in Jerusalem just the other day and talked with Mr. Friedman today to fill him in on what had transpired in Israel, particularly the meetings with Mr. Ben Gurion relating to the government's need for cash. Attached hereto are notes on this conversation.



Notes on Israel Government Request
Saturday, May 12, 1956

Following cable was received from Dr. Josephthal;

"PERES MYSELF ARRIVING MAY TWENTYTWO IF NOT HEAR OTHERWISE STOP WOULD LIKE FIRST MEETING UJA BONDLEADERS IMMEDIATELY STOP FOLLOWED BY AFEW PARLOURMEETINGS ON BEHALF OF WHOEVER YOU JOE DECIDE STOP PERES MYSELF CAN STAY ONE WEEK STOP SEE TEDDYS CABLE ERAN CABLE"

to which we replied as follows on Sunday, May 13:

"JOE AND I WENT WASHINGTON HAD LONG TALK WITH ERAN WHO TOLD US OF TEDDYS CABLE STOP EXPLAINED THAT PRESENT CONSOLIDATION LOAN WILL PRODUCE MAXIMUM UNDER PRESENT IMPETUS STOP WHILE GLAD HAVE YOU EPPERES NOT MUCH MORE CAN BE ACCOMPLISHED HERE ALTHOUGH JOE FEELS EXTRA BOND SALES POSSIBLE IF YOU WOULD STAY TRAVEL AT LEAST SEVERAL WEEKS STOP PARLOR MEETINGS IMPRACTICAL THIS TIME STOP ERAN CABLING HIS CONCLUSION FULLSTOP".



Notes on Israel Government Request
Monday, May 14, 1956

Dr. Schwartz called Mr. Friedman and said he had just received a cable from Mr. Ben Gurion asking him to cancel his Board of Governors meeting scheduled for May 20th, for which he had already had about 75 acceptances. The cable stated that Josephthal and Peres were coming to the United States and asked Dr. Schwartz to arrange, together with Mr. Friedman, for 150 UJA and Bond leaders to meet with Josephthal and Peres.

Dr. Schwartz told Mr. Friedman that this is impossible. The feeling here is that if there is a great emergency, there is no reason why Dr. Josephthal, with or without Peres, cannot come here for the May 20th meeting of the Bond organization. It is also to be understood that the feeling here is that there is no particular reason why Josephthal should come since he cannot be used to make any more money available to Israel.

It seems that the reason why Josephthal cannot come here for the 20th is that he has an appointment to meet Moe Leavitt in Paris on the 18th or 19th to discuss the North African immigration.

By and large, it looks as though the administrative end of things in Israel in relation to this entire matter is in pretty bad shape.

Both Mr. Rosenwald and Mr. Warburg have been commenting on the fact that there are wild and frantic cables coming through from Israel that have not been carefully thought through. They say that there is probably no great emergency because Ben Gurion is not coming, and even Josephthal puts off his trip, so that he can meet with Leavitt in Paris. They acknowledge the fact that Israel needs money but they say Israel always needs money and the people there now are not acting as though they were faced with the type of emergency referred to in their messages.

Notes on Israel Government Request
Tuesday, May 15, 1956

The following cable was re-ceived today from Israel addressed to
Mr. Friedman:

"BG ESHKOL SAPIR ALL PRESSING GIORA TO COME FOR BOARD MEETING 20TH EVEN IF HE
HAS TO RETURN 21ST TO PARIS FOR A FEW DAYS TO ATTEND SOME PREARRANGED MEETINGS
STOP SHALL NOT BE ABLE CABLE HIS FINAL DECISION BEFORE THURSDAY WOULD APPRECIATE
IF YOU CABLE HIM MEANWHILE DIRECTLY STOP PLEASE/CABLE ME IF SHIMON SHOULD ATTEND
ANYWAY STOP SHAMIR WILL OFCOURSE ARRIVE ON TIME CHAGSANEACH"

Although everybody had been/quite confused before today, this cable
seemed to make a joke of it all. It developed, however, that this cable was
really intended for Dr. Schwartz at the Bond organization and it was sent down to
him.

Mr. Rosenwald mentioned today that he plans to take up with
Dr. Josephthal, and later, when he gets to Israel in October, with the top
Government people there, this entire question of the government sending frantic
cables to the WJA in the United States without any regard for the campaigns here
and the individuals involved in them.

CONFIDENTIAL

MINUTES OF MEETING OF ROSENWALD STAFF, May 3, 1956, UJA Offices, 10:00 a.m.

Present: William Rosenwald, Presiding
Harry D. Biele
Herbert A. Friedman
Melvin S. Goldstein
Irving Jacobs
Raphael Levy
Edward R. Vajda
Sholem Sontup
M. William Weinberg

1. Mr. Friedman reported on the meeting held the previous day at the Israel Consulate which was attended by Messrs. William Rosenwald, Edward Warburg, Abraham Feinberg, Dewey Stone, Herbert Friedman, Jack Weiler, Morris Berinstein, Joseph Schwartz, and Henry Bernstein. Also present with this group were Messrs. Eban, Shiloah, Sherman and Sapir. The meeting had been called by Mr. Eban so that he might bring this group up to date on Israel's needs.
2. Mr. Friedman said that Mr. Eban presented two new facts in the situation, on a very confidential basis. First, Mr. Ben Gurion feels there is tangible evidence to assume that Israel will be attacked by Egypt in June or July. In this connection he pointed out that Israel's intelligence had always proven accurate. Mr. Friedman said that the group was apparently being told officially by a representative of the Government of Israel that Israel anticipated an attack. Second, Mr. Eban said that there are now new offers for purchasing equipment, particularly jet planes, and that the cost of 36 of these jet planes can come to about \$20,000,000. These offers however, have to be seized now when they are available and this equipment can be obtained only through 100% cash payment. Mr. Eban made a distinction between what arrangements might be available if the United States were to sell equipment and credit lines were to be established, in contradistinction to what Israel has to do in connection with buying equipment elsewhere, which calls for 100% cash payment. Mr. Eban therefore called for a discussion on how some \$35,000,000 over and above what is anticipated from the UJA and the Bond Drive could be obtained.
3. Mr. Friedman said that the group indicated very clearly that the UJA will provide some \$25,000,000 in cash in the next sixty days in the form of receipts on the regular fund, Special Fund cash, and the Loan. With regard to Bonds, a statement was made at the meeting the previous day that some \$10,000,000 in cash would be forthcoming from that source in the next sixty days, and Dr. Schwartz permitted that statement to stand. The Israel people understood that there would be some 30 to 35 million dollars in cash available during the next sixty days. This, however, did not deter Ambassador Eban from saying that Israel needed 35 million dollars more than that in the same period of time.
4. Mr. Eban said that the suggestion had been made by Mr. Ben Gurion in Israel that the extra 35 million dollars should be obtained through short-term borrowing from individuals in this country. All present at the meeting, reported Mr. Friedman, said that it was simply out of the question to

gather such an amount on this basis. Some people present even felt that a project of this kind would cut into the existing apparatus for fund raising, such as bond sales, the UJA campaign and the Loan effort. Mr. Friedman said that he indicated that at the height of the previous short-term borrowing experience back in December, 1953, Israel had a total outstanding of \$4,300,000 from a maximum of 282 people. It was not known how many had been approached at that time for short-term money. Mr. Friedman said he told the meeting that if that were true in 1952 and 1953, then that might be a fair measure of what might be available now.

5. Mr. Friedman said that Mr. Eban accepted that statement and asked whether the currently existing apparatus for fund raising could be accelerated and amplified to any extent to provide more cash in the next sixty days. There developed, said Mr. Friedman, a general feeling that perhaps more cash could be obtained from bond sales in the next sixty days than from the UJA. The reason for this is that in the next sixty days, if the Special Fund and the regular fund campaigns were to be re-opened in order to get increased pledges, it would not be possible to translate those new pledges into cash as quickly as new bond sales could be translated into cash. Further, brand new bond sales are indicated because the Bond organization is only just beginning to get into high gear. There are also commitments for bond purchases outstanding from last fall and early winter, some of which can now be translated into actual purchases.

6. Mr. Friedman said that Dr. Schwartz pointed out that it would be necessary to have a group of very highly placed emissaries come from Israel. Such an effort would require the presence in this country of Mr. Ben Gurion and/or Mr. Sharett and Mr. Eshkol. The presence of these people in the United States would underline the dramatic quality of the present situation. Mr. Eban said that the Government could send General Yadin, but it was felt that only people, although he would be welcome, at the very top could be useful at this time.

7. In addition, Mr. Friedman reported Dr. Schwartz as saying that if these top emissaries would come to the United States, it would be necessary to take the wraps off the campaign and announce publicly that Israel stands in imminent danger of attack, and it would, of course, mean that some risks would be run. The Bond organization, for example is already under pressure from the SEC to insert a note in the prospectus that the Government of Israel is now in serious jeopardy, and Dr. Schwartz does not want to do that. If the wraps are taken off, however, the Bond organization's defenses against the SEC would undoubtedly crumble.

8. As far as the UJA is concerned, Mr. Friedman said that it is, and would continue to be subject, to some attempts at pressure as regards its tax deductible status. This status was taken away from the UJA once for a brief period, in 1948. The feeling was that regardless of these dangers, the wraps would have to be taken off, but all concerned would be circumspect about minimizing the risk of putting the tax status in jeopardy.

9. Mr. Eban said he would communicate the sense of the meeting to Mr. Ben Gurion. Mr. Rosenwald reported that Mr. Eban at least twice hinted rather broadly that Mr. Ben Gurion might be persuaded to come to the United States. Mr. Friedman pointed out that Mr. Eban also noted, however, that there might be political considerations for Mr. Ben Gurion's not coming which would overbalance the value of his presence here. For example, there is the question of how Mr. Ben Gurion could avoid going to Washington if he can come to the United States for only a couple of days.

10. Mr. Friedman said that the Israelis left the meeting at that time, and Messrs. Feinberg and Berinstein also had to leave. Mr. Rosenwald thereupon convened an informal meeting. Result of that meeting was that if Mr. Ben Gurion were to come, that a national meeting would have to be called so that he would have the right people to whom to speak and deliver his message. This national meeting would be made up of the top 300 or 400 leaders in the country. Although this would be a closed meeting and not open to the press, the fact is that once Mr. Ben Gurion delivers his message, what he has to say could not be kept a secret.

11. It was felt that Mr. Ben Gurion ought to meet with the top leadership here on May 20th. This date was chosen because the Bond organization had already called a meeting of its Board of Governors for May 20th, and a certain number of people were inclined to come to New York. The Bonds would, of course, cancel the Board of Governors meeting, but it was expected that the people would come to hear Mr. Ben Gurion. As far as the UJA is concerned, it was felt that the campaigns could not gain very much if the meeting were held much later than May 20th. Mr. Friedman said that ended the meetings held the previous day, and he asked for discussion.

12. There was then a general discussion on Mr. Friedman's report. It was agreed that if Mr. Ben Gurion should come to the United States for special meetings, the UJA would have to cancel its June 9th and 10th conference. It was also the consensus of those present that in order for the UJA to have an opportunity to get more cash from the communities on the basis of Mr. Ben Gurion's trip to this country, he should be asked to come here for a leadership meeting on May 26th. It is understood, however, that the June 9th conference will not be cancelled unless it is Mr. Ben Gurion who comes to this country in May. Mr. Rosenwald said it was made clear at the meeting the previous day that if anybody but Mr. Ben Gurion were to come in May, that person or persons would have to visit the communities throughout the country. The idea of shifting the date to May 26 through 31 was conveyed to Ambassador Eban through his New York City secretary.

13. The following arrangements were generally agreed upon:

A. Saturday evening, May 26th

Mr. Ben Gurion to meet with the top leadership of the country, being some 300 or 400 people. These leaders to be invited by a special committee.

B. Sunday, May 27th

UJA mass meeting to be attended by about 1,000 or 1,200 people from the entire country to present cash to Mr. Ben Gurion.

C. May 31st

A Bond rally in Madison Square Garden. Dr. Schwartz advised by telephone that he could have Madison Square Garden on this date; but if Mr. Ben Gurion could come only for a couple of days and could not be here for May 31st, then it is understood that Dr. Schwartz would prefer to have the rally on May 20th, which is the date the UJA had originally requested because Dr. Schwartz said he could get Madison Square Garden for May 21st or 22nd.

14. The Hotel Statler is available for May 26th and 27th.

15. As regards the program for May 26th, it was felt Mr. Ben Gurion should state very clearly that Israel is faced with a war. Mr. Rosenwald will then ask those present to present their ideas on what is to be done to meet the need. The UJA would ask for the re-opening of the Special Fund campaign and for complete resolicitation in a number of places. The meeting would then turn to spontaneous fund raising which would spread to the entire country.

16. It was pointed out that it would first be necessary to have a meeting of the Cabinet, perhaps a week or two before May 26th, so that the Cabinet people could be informed of the plans for the following weekend and could also be geared for spontaneous contributions.

IJ 17. The list to be used for invitations to the leadership meeting will be the UJA 1400 list. This list is to be sent to Dr. Schwartz so that he can add any names not included he thinks should be invited. Also, staff is to prepare: who is to invite (and text) and clear it with Dr. Schwartz so that we'll be prepared to move at once if we get an O.K.

18. The Loan project was discussed briefly. It was reported that all is progressing in an orderly fashion and at the present time there are no problem communities.

19. With regard to cash, Mr. Sontup says that this country has been divided and assignments made to most of the Cabinet members and to other leaders. The office is working on targets to be assigned to communities, and Mr. Sontup noted that there will be a very strong push for cash.

ERV 20. Mr. Vajda read the letter he had received from Pittsburgh regarding a pre-campaign budgeting formula. Mr. Rosenwald was of the opinion that if Mr. Falk were to give \$50,000 to the campaign and provide that needed leadership for increased giving, the UJA would be inclined to accept Pittsburgh's proposal. Mr. Vajda is to speak with Mr. Hiller and determine whether there is any way of persuading Mr. Falk to increase his gift to \$50,000 so that this PCB question can be solved.

21. The Sunday session of the June 9th--10th conference was discussed. It was the consensus of the meeting that Mr. Hugh Gaitskell be invited to address the Sunday session. (It later developed that Mr. Gaitskell would not be in this country on June 10th.)

MSG 22. It was the consensus of those present that it is too late now to do anything about the problem of communities like Philadelphia which resist outside leadership. This is to be put over to the fall of 1956.

MSG 23. There was general agreement that the National Inaugural Big Gifts meeting in Florida is important and the UJA should go ahead with it in 1957. After much discussion, it was felt that March 3rd will be the best date for the meeting. This however, is to be taken up with some of the other leaders.

SS 24. In view of the fact that Mr. Friedman is thinking in terms of having the Cabinet meet at the Brandeis Camp in Los Angeles in January, consideration should be given to the possibility of holding a Big Gifts meeting for the West Coast in Los Angeles some time in early January. The Cabinet meeting at the Brandeis Camp can be used as a build-up toward that meeting. This would also mean that the UJA would have its Annual Conference in New York in early December, a meeting in Los Angeles in January, the Big Gifts meeting in New York on February 2nd and the Miami meeting on March 3rd.

25. With regard to the meeting in New York scheduled for February 2, 1957, note was made that should there be no guest of honor, the meeting will be run anyway.

IJ 26. The problem of New York City invitation lists was discussed. New York City is planning an important meeting for May 29th and therefore does not wish to have New Yorkers invited to the June 9--10 conference. Mr. Jacobs is to speak with Mr. Bernstein about obtaining the names for a mailing on May 29th.

27. The date of the next meeting is to be set later.

MSG/jg
5/8/56

Notes on Israel Government Request
Wednesday, May 2, 1956

The meeting with Ambassador Eban, Mr. Sapir, Meir Sherman, Mr. Shiloah and Esther Herlitz, took place this morning. The attached copy of a letter to Dr. Josephthal describes the meeting.

This evening Mr. Jacobs, Mr. Sontup, Mr. Levy and Mr. Goldstein went into detailed plans for the implementation of a program which would call for a National meeting on or about May 20th. Lists were prepared, etc.

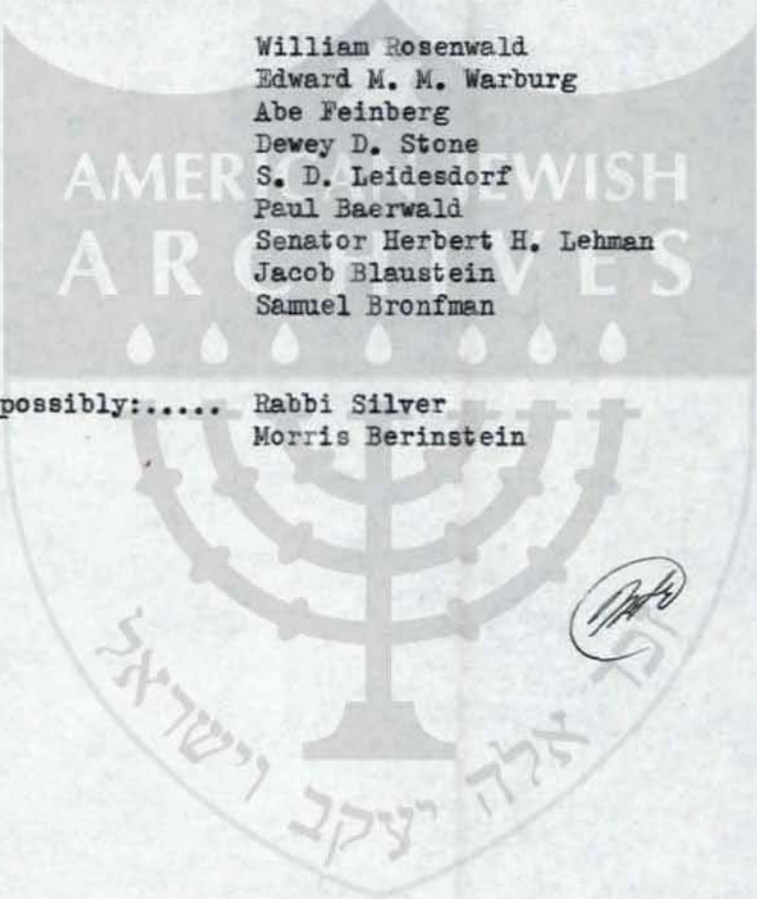
Mr. Rosenwald called me tonight and said he understood Mr. Eban is sending a cable to Jerusalem and, further, that Dewey Stone is going to write to Josephthal. Mr. Rosenwald felt that Mr. Friedman should not write a report on the meeting today to Dr. Josephthal but rather should wait to see the text of Mr. Eban's message and a copy of Mr. Stone's letter. He suggested that Mr. Friedman tell Mr. Stone that he would like to know if he is going to write to Josephthal because if he is, then he would like to have a copy so that too many letters need not be going at once. In the meanwhile, he said, Mr. Friedman could write Josephthal that as long as Dewey Stone was writing and Mr. Eban was writing to the government, there was no need for him to write. Then later it could be determined whether or not Mr. Friedman could write. Mr. Rosenwald's reason for this was that he did not want Dr. Josephthal to get too bleak a picture of our attitude on the private loan project from Mr. Friedman because this might scare Ben Gurion from coming.

MSG
5/4/56

May 4, 1956

note for: Leadership Meeting with Ben Gurion(file) -- May 26, 1956

The following is a list of names of people who might be members of the committee to invite persons to attend a meeting with Mr. Ben Gurion on May 26th:



William Rosenwald
Edward M. M. Warburg
Abe Feinberg
Dewey D. Stone
S. D. Leidesdorf
Paul Baerwald
Senator Herbert H. Lehman
Jacob Blaustein
Samuel Bronfman

also possibly:..... Rabbi Silver
Morris Berinstein

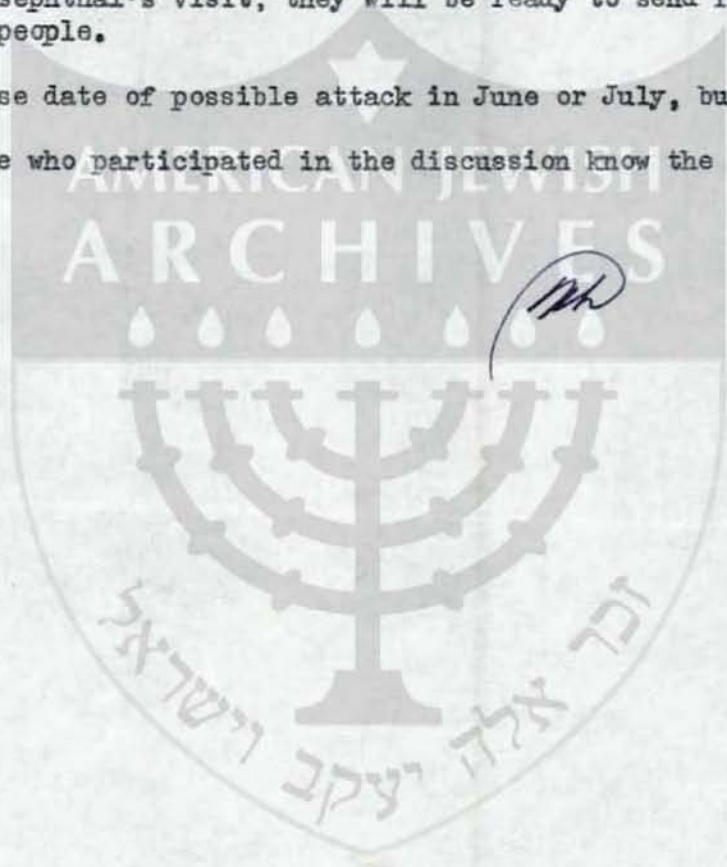
(Handwritten initials)

Fell

THE FOLLOWING POINTS WERE IN MESSAGE SENT TO MR EBAN BY TEDDY KOLLEK, RELAYED TO MR. FRIEDMAN BY MISS HERLITZ, MAY 10, 1956

1. Ben Gurion will not come to the United States.
2. Josephthal and Shimon and Perez, the Director General of the Ministry of Defense, to come at once.
3. No short term loans from individuals but special effort through Special Fund, Consolidation Loan and Bonds.
4. After Josephthal's visit, they will be ready to send four or five top defense people.
5. Do not use date of possible attack in June or July, but stress purchases.
6. Let those who participated in the discussion know the contents of this cable.

MSG:ba
5/10/56



משרד ראש הממשלה
PRIME MINISTER'S OFFICE

Jerusalem, May 9, 1956

Rabbi Herbert A. Friedman
Executive Vice Chairman
United Jewish Appeal
165 West 46th Street
New York, N.Y.

Dear Herb:

I have today sent, through the Diplomatic Mail, a long letter to Eban, as well as to Meir Sherman, about the rather confused situation -- exactly in the middle between a schwitz and a snafu -- that has been created since I first received the cable which I discussed with you over the phone prior to my departure.

I particularly asked Meir Sherman to transmit the details to you in full. Moreover, since then I saw your cable to Giora of April 8th, so I decided to describe developments in code to Eban who will, of course, immediately have you informed.

In retrospect, I did the wisest possible thing on returning home as quickly as possible because it helped clarify the situation. Otherwise we would have been in even a more uncomfortable and difficult position than you must be in now in New York. I am only sorry that I am not there to help you. Meanwhile, Giora is leaving and I have not yet discussed with him any of the things that you and I discussed during our long evening session at the *quo Vadis* and afterwards, but I shall do so before he leaves.

Please keep me posted about the progress of your wife's health.

All the best to everybody,

Yours, *lovet*

130

Teddy Kollek

Cables Radio Cables and Radio Cables Radio

ACR18/TGB474/IVG403/EEC203/X4046

FFF JERUSALEMISRAEL 22 10 1220 ISRGOVT

FRIEDMAN UJAPPEAL

NY (FRIEDMAN C/O UNITED JEWISH APPEAL 165 WEST 46th ST)

K391 AFTER YOUR CABLE TO GIORA EYE IMMEDIATELY CABLED EBAN
FOR TRANSMISSION TO YOU AND MOREOVER WROTE YOU

TEDDY

K391

Handwritten notes:
4:05 PM ✓
2-5
12/14 24
K391

1956 SEP 10 AM 9 00

EASTERN STANDARD TIME

Handwritten times:
1:30
7:15

System American Cable & Radio System American
HILL 2-4160 9 EAST 44th STREET, N. Y. • MURRAY HILL 2-4160 9 EAST 44th ST

Day All America Commercial Mackay All America Commercial
Radio Cables and Radio Cables and Radio Cables

ACR26 TGB163/IV146 X1554

FRIEDMAN UJAPPEAL

NYK(FRIEDMAN - UNITED JEWISH APPEAL 165 WEST 46TH ST)

K400 BG ESHKOL SAPIR ALL PRESSING GIORA TO COME FOR BOARD
MEETING 20TH EVEN IF HE HAS TO RETURN 21ST TO PARIS FOR A FEW DAYS
TO ATTEND SOME PREARRANGED MEETINGS STOP SHELL NOT BEABLE
CABLE HIS FINNAL DECISION BEFORE THURSDAY WOULD APPRECIATE IF YOU
CABLE HIM MEANWHILE DIRECTLY STOP PLEASE CABLE ME IF SHIMON
SHOULD ATTEND ANYWAY STOP SHAMIR WILL OFCOURSE ARRIVE ON TIME
CHAGSAMEACH TEDDY

K400 20TH 21ST

FFF JERUSALEMISRAEL 70 15 1410 ETAT ISRAEL

AMERICAN JEWISH
ARCHIVES

FA

1956 MAY 15 AM 10 21

EASTERN STANDARD TIME

cc: JJS

American Cable & Radio System American Cable & Radio Sys
9 EAST 44th STREET, N. Y. • MURRAY HILL 2-4160 9 EAST 44th STREET, N. Y. • MURRAY HILL

May ~~20~~ 1956
13

JOSEPH TAL
JEV AGENCY
JERUSALEM (ISRAEL)

JOE ANDEYE WENT WASHINGTON HAD LONG TALK WITH EBAN WHO TOLD US OF TEDDY'S
GABLE STOP EXPLAINED THAT PRESENT CONSOLIDATION LOAN WILL PRODUCE MAXIMUM
UNDER PRESENT IMPETUS STOP WHILE GLAD HAVE YOU ET PERES NOT MUCH MORE CAN BE
ACCOMPLISHED HERE ALTHOUGH JOE FEELS EXTRA BOND SALES POSSIBLE IF YOU WOULD
STAY TRAVEL AT LEAST SEVERAL WEEKS STOP P LOR MEETINGS IMPRACTICAL THIS TIME
STOP EBAN CABLING HIS CONCLUSION FULL STOP FAMILY MUCH BETTER APPRECIATE YOUR
THOUGHTS BEST REGARDS

HERB

MSG/pc

WESTERN UNION

INTERNATIONAL COMMUNICATIONS

FX-1280

W. P. MARSHALL, PRESIDENT

1956 MAY 11 PM 5 18

Received VIA WESTERN UNION CABLES at 40 Broad St., New York, N. Y. Telephone HANover 2-2920

JN281 TELAVIV JAFFA VIA WU CABLES 51/48 11-1137
UJAPPEAL FREEDMAN
UNITED JEWISH APPEAL
165 WEST 46TH ST
165 WEST 46TH ST
PERES MYSELF ARRIVING MAY TWENTYTWO IF NOT HEAR
OTHERWISE STOP WOULD LIKE FIRST MEETING UJA BONDLEADERS
IMMEDIATELY STOP FOLLOWED BY AFEW PARLOURMEETINGS ON
BEHALF OF WHOEVER YOU JOE DECIDE STOP PERES MYSELF CAN
STAY ONE WEEK STOP SEE TEDDYS CABLE EBAN CABLE=

GIORA.

*Read to JJS &
Eban*

XX

KOLLEK
MEMROSH
JERUSALEM (ISRAEL)

MAY 9 56

W.U. CABLES

TERRIBLY CONCERNED NO REPLY EBAN CABLE MAY SECOND TRANSMITTING OUR
VIEWS STOP WOULD APPRECIATE SOME INDICATION YOUR THINKING BASIS EBAN
REPORT ENABLE US PLAN PROGRAM NEXT WEEKS REGARDS

HEEB



XXXX

JOSEPH TAL

May 8, 1956

JEW AGENCY
JERUSALEM (ISRAEL)

ASSUME YOUR MAY THIRD CROSSING ERAN'S MAY SECOND REPORTING OUR MEETING WITH HIM
AND SAPIR AND SETTING FORTH OUR RECOMMENDATIONS AND VIEWS WHICH COINCIDENTALLY
REFERRED TO MOST POINTS RAISED YOUR MAY THIRD STOP ERAN HAS BEEN AWAITING ADVICE
WHICH WE ASSUME WILL CONTAIN REFLECTION YOUR VIEWS AS WELL AS OTHERS STOP FRANKLY
HAVE BEEN MUCH CONCERNED WHY NEITHER ERAN NOR WE HAVE RECEIVED ANY WORD SINCE MAY
THIRD HOPE SOME NEWS FORTHCOMING SOON REGARDS

FRIEDMAN

HAF/gb

RCA COMMUNICATIONS, INC.
A SERVICE OF RADIO CORPORATION OF AMERICA
25 WEST 43rd STREET, N.Y., TEL. BR 3-72

COMMUNICATIONS, INC.
CORPORATION OF AMERICA
N.Y., TEL. BR 9-0572
RCA COMMUNICATIONS
A SERVICE OF RADIO CORPORATION
25 WEST 43rd STREET, N.Y., T

RADIOGRAM

1956 MAY 8 PM 1 58



FA208

IU87
JEC95 X 1022 JERUSALEMISRAEL 11/10 8 1500
FRIEDMANN UJAPPEAL NEWYORK
STILL WITHOUT ANSWER MY CABLE 3/5/56
GIORA

CFM 3/5/56