

FRIEDMAN -- TO THE WOMEN -- TEL AVIV -- OCTOBER 23, 1966

Want to indicate -- the major areas of problems that should be of interest to you. UNDERSTAND

Tell you what to look for. If you know what you are LOOKING FOR YOU WILL UNDERSTAND,

PROBLEM NUMBER 1: is defense -- ~~The~~ Defense is the number one problem in this country. You have entered at a very very critical moment. Don't know if you have been following the papers. Don't know what you are aware of. Or if you are aware of the debate going on in the United Nations. But it is quite clear that this country is in a critical military position at this moment.

The major countries, including Russia -- wish to condemn Syria -- the main aggressor at this moment -- for permitting acts of aggressiin to take place across her borders at this time. You have to know about the Palestine Liberation Army -- Palestinian refugees who feel strongly about recapturing their homeland. Another name -- El Fatah -- roughly: "Guerrila Fighters".

In the course of 12 days -- four serious border episodes. At three o'clock this afternoon -- latest infiltration, across the Lebanese border -- four came across-- three killed -- one wounded -- and one Israeli killed. Goes on every single day. Country in a very tense mood right now. Exactly ten years ago -- after whole series of provacations -- Sinai. While things go well in the United Nations -- no kickback. But if it continues ^{today} -- ~~it~~ WILL be a kickback. Mood of the people in the country is grim.

This country is burdened with a military budget which runs at least a third -- or as high as forty per cent of the total national budget.

The total national Budget is something over I.L. 4 billion! And the military sometimes goes as high as I.L. 1 1/2 billion. The US military budget -- which includes cost of paying of past wars -- just over \$50 billion out of \$100 billion. Higher than Israel's, but we're at war. Perhaps Israel must be considered at war -- with a much weaker economic base to start from. Other countries have ^{military} budgets which are 15 per cent -- 10 per cent, etc.

2ND PROBLEM IN THE COUNTRY: UNEMPLOYMENT. For the first time in a dozen years

the country is suffering unemployment. Up till now the new immigration pouring in -- tens and tens of thousands -- was absorbed in building, Unskilled raw labor -- carrying bricks and ^{pouring} cement -- could put them to work right away building houses. For a dozen years we could never catch up on the housing. Were behind. Struggling to keep ^{up with} the new arrivals. But we caught up. In beginning of 1966 we caught up for the first time, and the pace of building houses slowed down. Have in the country a reserve of empty houses. Now immigrants same night -- nine or ten o'clock -- are in their own houses. Given flats, put on buses, and they go. Go to bed that night in the new flats to which they are assigned.

Depression ^{IN} building is owing to various factors: slow down of immigration, and finally - some good standards of construction were achieved. More and more skilled labor directing unskilled labor. Also, lots of major construction projects came to an end about the same time. The new port of Ashdod -- which had soaked up thousands of laborers -- finished. Water pipeline -- finished by middle of '65. Under construction for eight or nine years, ^{Now} finished. 150 miles of pipe manufactured and laid under the earth. Done. Big nuclear reactor in Dimona -- done. Everything happened -- within 30 days - 60 days -- and unemployment began to shoot up. Total unemployed in the country -- almost 40,000. Could go to 60,000 or 70,000. People who have been working. The unemployed of the employables.

3RD PROBLEM: THE CONDITIONS IN THE FRONTIER DEVELOPMENT TOWNS:

Have some 21 in country -- containing about a quarter of a million people. About 19,000 to a town.

These towns very weak economically. Contain the poorest, least skilled. The illiterate. There are 200,000 illiterates in Israel who can't read or write in any language -- mostly Asian Africans. (But remember Maimonides came from Morocco.)

Morocco once 300,000 Jews - now 70,000 and no more coming. Now middle class beginning come in. But ones I'm talking about come out of the back towns, and Atlas Mountains. They're living -- vast number of them -- in the frontier towns -- illiterate -- unskilled, financially poor -- don't know what's going on the country.

People in these towns are beginning to develop a feeling of discrimination. Saying "We're on the bottom of the totem pole. Jews in the big towns have it fine. Who are we? -- The Sephardic Jews? -- Who are they -- the Ashkenazi!"

Very bad talk -- could split Israel in half. Will get two Israels. If you get the feeling that one is inferior. ^{then} ~~they~~ you will get all the psychological kickbacks. People will hold back. "Why should I put out for this country? I'm not going to keep my house clean. I'm not going to develop a feeling of civic responsibility." Hasn't happened yet.

Have to prevent the possibility of a social cleavage along the lines of ethnic origin. Going to have to pour into these new towns -- a tremendous amount of help. Have to explain the condition of these towns where the people are living at the bottom of the heap.

What happens is, when conditions get worse -- the people with more enterprise run out. Lots of Rumanians in Beit Shean -- still digging in -- trying to hold on. Haven't all fled yet. Can't hold anyone in such a town -- it's not a police state. Beit Shean has 13,000 people -- was 20,000 people -- ^{has} one textile factory that employs 800.

Russians not going into the development towns. No publicity on the Russians coming in. Come on the basis of family reunions. Come out with valid Russian passports. Russian Government says: "You don't like it -- come back". No return for Rumanians. The way the Russians are absorbed, is crucial. Handled differently, and preferentially. In order to stimulate further movement from Russia.

The 4TH PROBLEM: UNOCCUPIED YOUTH

The problem of the unoccupied youth is one of the most terrible things. Four empty years after he graduates grammar school, till army. Education free ^{only} up till the eighth grade. Americans think every country supplies high school education free to all. We the only country in the world that provides it -- not England -- not France -- not Russia -- just the United States.

We are working -- with Israel -- to provide free high school education for all. That's the goal.

Today not enough ^{high schools} to take youth in towns. "Walking the streets".
Mistovovin
"Mistolavin." -- Walking the streets all day."

That's how the kids answer you. Must put in youth centers, youth clubs, etc.

We can't afford to let those kids go to waste. Tens of thousands of kids going to waste in the precious years. No laws to prevent them. Family breaks down. You have the revolt of the younger generation against the older generation. All adding up -- getting like the United States. (Juvenile delinquency.)

Sure for a dozen years -- we've been boasting about Israel. Now this country is going through a recession -- and has other problems. Let's say so.

BUT PUT IT INTO PERSPECTIVE. A temporary set-back -- which will require our help next year -- and the year after.

If Israel tightens belt enough -- they'll come out ahead -- higher efficiency -- more productivity --

Meanwhile, what do we do about absorption?

As first step we must step up a program of school feeding. Will involve about 300,000 children. Very tough thing for Government to admit that ~~needs~~ outside help to feed the children. The public image is tied up in this. But ^{beginning of} we have seen/hunger.

Second, we will have to go into a massive program of providing cultural and educational activities for occupied or unoccupied youth. ORT occupies only 16,000 children. Cultural, vocational and recreational facilities needed for non-occupied youth.

Third, we will have to provide hundreds of trained youth leaders and social workers. Agency trying to do this job with 100 social workers. Ridiculous. New school can graduate 100 social workers a year. (Paul Baerwald School.)

Fourth: Going to have to enlarge the living quarters of about 33,000 families, with 6 persons or more a family, now living in 400 square feet for family (20 ft. x 20 ft.) Families of over six persons living in that kind of space. No place for kids in the room. Can't read a book. Can't be quiet, are driven crazy. Kids go into the street.

Fifth: May have to get into the business of ^{welfare} actual grants. The aged -- getting 15 dollars a month from Department of Social Welfare. Ridiculous.

Sixth: In our speeches have to give a feeling of hope. Have talked about conditions affecting 250,000. But the million are progressing -- are okay. 80 per cent are well and solidly integrated. Not burdens, but asset. And must turn remaining one out of five into assets.