Israel

The outstanding event of the period under review was David Ben-Gurion’s resignation as premier. Except for a brief interval (January 26, 1954, to November 3, 1955), he had been at the helm from 1935 until June 26, 1963, first as chairman of the Jewish Agency Executive, and then as prime minister of Israel. A new cabinet was formed, with slight changes, under former Finance Minister Levi Eshkol.

Isaac Ben-Zvi, president since December 8, 1952, died on April 23, 1963, and was succeeded by Shneur Zalman Shazar (p. 305).

Israel continued to be on the alert and to develop its armed forces in view of repeated threats from its Arab neighbors. The eastern and southern borders were relatively quiet, but there was trouble throughout the period under review (July 1, 1962, to December 31, 1963) on the frontier with Syria. The Egyptian arms build-up, including the reported development of rockets with the aid of German scientists, aroused concern.

Immigration continued at a high level and necessitated heavy housing expenditures.

Economic stability was maintained after the devaluation of February 1962. Prices rose about 10 per cent in 1962 and 5 per cent in 1963; wages, tied to the price index, followed closely.

Educational efforts were concentrated on providing additional schooling for children of poor (for the most part, large) families, especially those of Oriental origin.

There were further relaxations in military-government restrictions in border areas, mainly inhabited by Arabs and Druses.

Foreign Affairs

Israel maintained diplomatic relations at the end of the year with 84 countries, in 66 of which it had resident ministers or ambassadors. Embassies were opened in Ethiopia (with which relations had been on the consular level) and Uganda. Representation in Poland, Japan, Venezuela, Finland, and Iceland was raised to embassy level.

* For meaning of abbreviations, see p. 361.
Official visits were paid by Prime Minister Ben-Gurion to the Scandinavian countries and by Foreign Minister Golda Meir to Canada and to several East African countries.

Visitors to Israel included the kings of Burundi and Nepal, the presidents of Cameroun and Congo (Leopoldville), the chief minister of Mauritius, and numerous ministers and parliamentary delegations, especially from new and developing states.

In a foreign-affairs review in the Keneset on March 4, 1963, Foreign Minister Meir said that Israel maintained various forms of international cooperation with 87 countries, including 38 in Africa and 16 in Asia.

Prime Minister Eshkol stated in October 1963 that the government had sent out some 850 advisers and technicians to developing countries, in addition to several hundred sent out by private and public bodies, and had been host to some 4,500 trainees and students in hundreds of courses and seminars.

**America and Western Europe**

Close and friendly relations continued with the United States, though the American government did not always accept Israel's estimate of the danger to its security arising out of increased Arab armaments, and the press repeatedly criticized American aid to Egypt as encouragement for President Gamal Abdul Nasser's aggressive aims. Golda Meir met with President John F. Kennedy and Secretary of State Dean Rusk in December 1962.

President's Kennedy's approval in September 1962 of the sale to Israel of Hawk ground-to-air defensive missiles was regarded as highly significant, as the first American agreement to supply Israel with arms (p. 151). His statement that the United States supported the security of Israel and its neighbors and that in case of aggression, direct or indirect, the United States would adopt appropriate measures, within the framework of the UN and without, to prevent or halt aggression was also appreciated.

United States government grants and loans for Israel's development totaled $53 million in 1962 and $56 million in 1963.

Relations with Latin American states were expanded through assistance by Israeli experts and advisers, making available vocational courses in Israel, and the establishment of special development projects in several Latin-American countries.

Cordial relations also continued with the British Commonwealth countries and Western Europe. Negotiations continued throughout the period with the institutions of the European Economic Community (Common Market) (p. 227). There was considerable development in trade and tourist relations with Greece and Cyprus; the first Cypriot ambassador to Israel presented his credentials in May 1963.

**Relations with Germany**

Visitors from the German Federal Republic included Bundestag President Eugen Gerstenmaier and former Defense Minister Franz Joseph Strauss.
Strauss's visit, as a guest of the defense ministry, was strongly criticized by the Herut, Mapam, and Communist opposition parties. On September 10, 1962, the tenth anniversary of the signature of the reparations agreement, Levi Eshkol in his capacity as finance minister stated that German reparations had constituted about 15 per cent of Israel's imports during the ten-year period. The West German government had "fully and meticulously implemented the agreement," he declared, though "there could be neither recompense nor compensation for the havoc wrought upon the Jewish people."

That German scientists and technicians were working in Egypt on the development and construction of missiles and aircraft became public with the arrest in Switzerland (p. 236) on March 2, 1963, of Joseph Ben-Gal, an Israeli, and Otto Joklik, an Austrian, on charges of using threats to induce German scientist Paul Goercke's daughter to ask him to stop working for the Egyptian government in Cairo.

On March 20 Foreign Minister Meir stated in the Knesset that "a number of German scientists and hundreds of German technicians are helping to develop offensive missiles in Egypt, and even armaments banned by international law, which serve solely for the destruction of living things." She rejected the German argument that legal impediments made it difficult for the German government to prevent its citizens from thus serving Egypt and demanded that requisite "legislative or other measures" be taken at once by West Germany. The Knesset unanimously passed a motion, sponsored by all parties except the Communist, stigmatizing the activity of the German scientists as "a grave danger to the security of Israel and its population," declaring that "the German people cannot exempt itself of the responsibility for the continuation of this vile work," and calling upon the German government "to put an immediate end to this dangerous activity of its citizens."

On March 25 the prime minister informed the cabinet that the chief of the security services had resigned, "after the prime minister did not accept his political evaluation"—i.e., of Germany's responsibility and the best means of inducing the German government to recall the scientists. On April 7 Prime Minister Ben-Gurion denied opposition charges that he was clamping down on the campaign on the matter of the German scientists, but added:

Our grave concern over the designs of the Egyptian dictator to destroy Israel, and the assistance he is receiving from German and other scientists and technicians, should not throw us off our balance.

Israel continued to press West Germany to take steps to withdraw the scientists, and Prime Minister Eshkol stated on November 29 that he expected legislation on the subject to be introduced in the Bundestag shortly thereafter.

In an interview with a German television representative on August 16, 1963, Prime Minister Eshkol said that any initiative for the establishment of diplomatic relations between Israel and the German Federal Republic must come from the Bonn government.
Eastern Europe

There was little change in relations with Eastern Europe, apart from the raising of Israeli and Polish representation to embassy level. Economic ties continued to improve with Rumania, Bulgaria, Hungary, and especially Poland. In June 1963 Israel's claim against Bulgaria for compensation for the shooting down of an El Al airliner in May 1955 (AJYB, 1957 [Vol. 58], p. 379) was settled. An agreement provided for the payment of $195,000 to Israel by Bulgaria.

In reply to a Soviet note on the denuclearization of the Mediterranean area sent to the countries concerned in May 1963, Israel emphasized its support for any steps that would serve peace and reduce the dangers of nuclear armament, but said that the immediate perils in the Middle East were due to the conventional arms build-up of the Arab states and their open belligerency against Israel.

Asia

Many public figures from Asian countries visited Israel during the period, as did numerous Asian students.

When in August 1962, the Indonesian government prevented an Israeli team from participating in an Asian sports competition in Jakarta, Indonesia was expelled from the group of sponsoring organizations.

Africa

Israel continued to support the liberation of the African peoples from colonial rule and to cooperate in the development of their economies and the training of their students and technicians. In her foreign-affairs review on March 4, 1963, Mrs. Meir said:

In the eyes of the State of Israel and the Jewish people, Africa is more than an important part of the world which is now taking its proper place in the community of free nations. We regard Africa as a symbol of the aspiration for equality and the abhorrence of injustice and discrimination.

In reply to questions on South Africa, Prime Minister Eshkol told the Keneset on October 23, 1963, that Israel was not in favor of having any country expelled from the United Nations, but that it could not have refrained from expressing opposition, in the UN, to racial discrimination when the subject was discussed there in November 1962 (p. 336).

Israel was gratified by African support of UN Assembly resolutions calling for direct negotiations with the Arab countries (p. 150) and by the rejection by the Conference of African States at Addis Ababa in May 1963 of Arab attempts to raise the "Palestine question."
The Arab States

In her foreign-affairs review of March 4, 1963, Mrs. Meir declared:

The upheavals that keep recurring in the Arab states . . . have brought no modification whatever in our relations with the rest of the region in which we dwell. The opposite is sadly true. In certain places, the tone of hatred and hostility has become even more strident and the threatening language louder, and on our northern border Syria indulges in dangerous provocation against our lives and property.

Israel drew attention of the UN Security Council to the threat contained in the treaty for a federation of Egypt, Syria, and Iraq, signed on April 17, which proclaimed the national duty to "liberate Palestine" through military unity of the three states.

Speaking in the Keneset on May 13, 1963, Prime Minister Ben-Gurion called for joint action by the United States and the Soviet Union, not only to prevent the arms race but to bring about, as we propose, general disarmament in Israel and the Arab countries, thus safeguarding the sovereignty and territorial independence of all the Middle East countries.

Shooting and mine-laying by Syrian forces in Israel's northern border continued at frequent intervals throughout most of the period under review. The most serious flare-ups came in July and August 1963. On July 13 the Syrians seized six vacationers boating on the Sea of Galilee. Three of them, Belgian citizens, were released two weeks later, and the others, Israeli nationals, were returned in December. A number of shooting attacks culminated on August 19 in the killing of two settlers from the border village of Almagor, north of the lake, by Syrian soldiers who had penetrated into Israel territory.

Israel welcomed the support given by eight members of the Security Council on September 3 for an American-British resolution (p. 149) condemning the murder and by implication blaming Syria, although the resolution was not carried because of a Soviet veto. During the last quarter of the year the Syrian border was relatively quiet, apart from sporadic incidents.

There was little trouble on the border with Jordan, though three Israelis were killed as a result of isolated outbreaks in September 1962 and August and September 1963.

On November 13, 1962, the Keneset reaffirmed a resolution of the previous year, declaring that the Arab refugees should not be returned to Israel and that the solution of their problem lay in their resettlement in the Arab countries. Israel's position was not altered by the debate in the UN General Assembly in the fall of 1963 (p. 150).

Prime Minister Eshkol stated on November 29, 1963, that despite United States support for the UN resolution on the refugees, there had been no fundamental change in Israel's relations with the United States, which should
be regarded from a long-term point of view. On December 3, 1963, Mrs. Meir declared in the Kneset that "not a single refugee will enter Israel without the government's permission."

DOMESTIC AFFAIRS

Death of President Isaac Ben-Zvi

Israel's 15th Independence-Day celebrations were shadowed by the death of President Isaac Ben-Zvi at the age of 78 on April 23. He had been elected to succeed Chaim Weizmann on December 8, 1952, and reelected in 1957 and 1962.

Isaac Ben-Zvi (Shimshelevitch) was born in Poltava, Ukraine, on December 6, 1884. Together with Ber Borochov, he drafted the program of Po'ale Zion. He settled in Palestine in 1907, organizing the Ha-shomer ("Guard") movement, which protected the early settlements. In 1908 he moved to Jerusalem, and from 1910 edited Ahдут, the first Hebrew Labor Zionist newspaper, with Rachel Yanna'it, whom he married in 1919, and David Ben-Gurion.

He and Ben-Gurion were expelled by the Turks in 1915, and the two went to the United States, where they founded the He-halutz pioneering movement and joined the Jewish Legion, returning to Palestine in 1918 with Allenby's army.

In 1920 Ben-Zvi helped found the Histadrut, the General Federation of Labor, and the Elected Assembly of Palestine Jews, of whose executive, the Wa'ad Leummi, he became chairman in 1931 and president in 1944. On the establishment of the state he was elected to the Kneset.

He wrote voluminously and made a special study of the lesser-known Jewish communities of the Middle East and the culture of the Moslem countries. He founded and directed an institute for the study of the Oriental Jewish communities, which was later named after him.

Election of President Shneur Zalman Shazar

Shneur Zalman Shazar (Rubashov) was elected third president of Israel on May 21, 1963, at a special session of the Kneset. He received 67 votes on the first ballot to 33 for Peretz Bernstein, co-president of the Liberal party, with seven abstentions.

He was born on October 6, 1889, to a family of Habad hasidim at Mir, Minsk, Russia. He became a member of Po'ale Zion in 1905 and after a period with a Yiddish socialist paper in Vilna studied at the Academy for Jewish Learning at St. Petersburg. In 1911 he went to Palestine, but in 1912 returned briefly to Russia and then resumed his studies in history and philosophy in Freiburg, Strasbourg, and Berlin. He founded the Po'ale Zion party and the He-halutz movement in Germany.

In 1919 Shazar went to Palestine as a member of a Po'ale Zion study mission and in 1924 settled in Palestine with his family. He became a mem-
ber of the Histadrut's executive council, and in 1925 joined the editorial board of *Davar*, becoming editor-in-chief in 1938. He was also a prominent member of Mapai, the Wa'ad Leummi, and the Zionist General Council.

Shazar was a member of the first, second, and third Kenesets, and minister of education from 1948 until 1951, when he was elected head of the Jewish Agency's organization department. In 1954 he became head of its department for education and culture in the Diaspora and in 1957 acting chairman of its executive.

He published researches on the Shabbethai Tsevi movement, 17th- and 18th-century responsa, and the history of German Jewry.

**Resignation of David Ben-Gurion**

David Ben-Gurion submitted his resignation to President Shazar on June 16, 1963. He took this step, according to his official announcement, "because of personal needs, which were not connected with any state problems or any particular event."

He was born David Green on October 16, 1886, in Plonsk, Russian Poland. He joined Po'ale Zion in 1903 and settled in Palestine in 1906, working as an agricultural pioneer in Sejera and other villages.

With Ben-Zvi, he studied in Constantinople from 1912 to 1914, was expelled from Palestine by the Turks in 1915, and was active in the Zionist Socialist movement in the United States. In December 1918 he returned to Palestine with the rank of corporal in the Jewish Legion.

He was founder of the Histadrut in 1920, becoming its secretary general, and of Mapai in 1930. In 1933 he joined the executive of the Zionist Organization and the Jewish Agency, and in 1935 became its chairman.

In February 1939 he took part in the St. James's Palace talks in London and led the fight against the British government's White Paper restricting Jewish immigration, land purchases, and settlement. He took the lead in securing the adoption of the Biltmore Program, which demanded "that Palestine be established as a Jewish commonwealth."

In November 1946 he took over the defense portfolio in the Jewish Agency. With the approaching end of the Mandate, he became head of the unofficial national administration and, when the State of Israel was founded, prime minister and minister of defense. He was responsible for the organization of the Israel defense forces and the conduct of the War of Independence. He held these posts in all succeeding administrations except the one formed by Moshe Sharett on January 26, 1954, after Ben-Gurion's resignation and retirement to Sedeh Boqer. He returned to the cabinet as minister of defense on February 21, 1955, and resumed the premiership after the elections on November 3 of the same year.

**Election of Levi Eshkol as Prime Minister**

When Ben-Gurion resigned he expressed the hope that the cabinet would be reconstituted as rapidly as possible and with minimal changes, and pro-
posed Minister of Finance Levi Eshkol as his successor. Eshkol completed cabinet negotiations in the unprecedentedly short space of one week, receiving a vote of confidence from the Knesset on June 26.

Levi Eshkol (Shkolnik) was born in Oratova, Ukraine, on October 25, 1895. In 1914 he settled in Palestine, where he played a leading part in the Agricultural Workers' Union. In 1918 he joined the Palestinian Battalion of the Jewish Legion. Two years later he joined in founding the collective settlement of Degania Bet.

In 1933–36 he headed the settlement department of the Palestine Office in Berlin, and worked for the He-halutz movement in Germany, Poland, and Lithuania, resuming his agricultural-settlement work on his return. He became secretary of the Tel-Aviv Labor Council in 1944, and served as treasurer of the underground Haganah defense organization. On the establishment of the state he was appointed director general of the ministry of defense. He left in 1949 to become head of the Jewish Agency's agricultural-settlement department, retaining the post until his appointment as premier, and between 1950 and 1952 was also treasurer of the agency.

In October 1951 he became minister of agriculture and in 1952 minister of finance, with a key role in the direction of Israel's economic development. He was acting prime minister on a number of occasions.

**Eshkol's Cabinet**

Minister of Agriculture Moses Dayyan at first refused to remain at his post in the new cabinet on the ground that he had not been sufficiently consulted during the negotiations and that he felt that he lacked Eshkol's full confidence. He said that Ben-Gurion's resignation had created a new situation, requiring a reconsideration of policies and the redistribution of offices. However, he agreed to join the new cabinet for a three-month trial period. At the end of that time he submitted his resignation, but withdrew it on receiving assurances that he would be consulted on defense questions and that the powers of his ministry would be increased.

Eshkol assumed the portfolio of defense, and Phinehas Sappir, of finance, in addition to commerce and industry. Zalman Aranne, a Mapai veteran, replaced Abba Eban as minister of education and culture, and Eban was appointed to the new post of deputy prime minister. Otherwise the cabinet was unchanged, and it adopted the same basic platform as the outgoing one. Eshkol described it as "a government of continuity." On December 6, 1963, Akiva Govrin (Mapai) was coopted as minister without portfolio.

At the end of the year the administration was as follows: Levi Eshkol (Mapai), prime minister and minister of defense; Abba Eban (Mapai), deputy prime minister; Moses Dayyan (Mapai), agriculture; Phinehas Sappir (Mapai), finance and commerce and industry; Joseph Almogi (Mapai), development and housing; Zalman Aranne (Mapai), education and culture; Golda Meir (Mapai), foreign affairs; Moses Hayyim Shapira (National Religious), interior and health; Dov Joseph (Mapai), justice; Igal Allon
(Ahdut Ha-‘avodah), labor; Bekhor Shitreet (Mapai), police; Elijah Sasson (Mapai), posts; Zerah Warhaftig (National Religious), religious affairs; Solomon Joseph Burg (National Religious), social welfare, and Israel Bar-Yehudah (Ahdut Ha-‘avodah), transport. Deputy ministers were Israel Ben-Meir (National Religious), interior; Kalman Kahana (Po’ale Agudat Israel), education; Simeon Peres (Mapai), defense, and Isaac Raphael (National Religious), health.

The government coalition, consisting of Mapai (46 Kneset seats, including its affiliated Arab parties), the National Religious party (12 seats), Ahdut Ha’avodah (8) and Po’ale Agudat Israel (2), commanded 66 Kneset votes out of 120.

With Sappir’s promotion to the treasury, the replacement of Eban by Aranne at the education ministry, and Eshkol’s refusal to give the defense portfolio to Dayyan or Peres, the new cabinet was generally regarded as reflecting a victory for the veterans of Mapai over the group of younger leaders headed by Dayyan, Peres, and Izhar Smilansky, the author.

Political Parties

A Mapai conference was held in October 1963 to discuss party ideology and constitutional amendments. In a keynote speech, Prime Minster Eshkol called for greater efforts to create a just social order and a workers’ society. He proposed steps to organize more cooperatives and ensure labor’s share in the economy. Dayyan, on the other hand, stressed efficiency and technological progress. Most of the constitutional proposals of the younger group, such as the holding of primaries to choose party candidates for mayors and heads of local councils, were rejected.

The Herut movement (successor to the pre-State Irgun Tzeva‘i Le‘umi and Zionist Revisionists), while maintaining its independent National Labor Federation, decided to organize its members in the Histadrut into a faction to contest the elections to the next convention.

The Liberal party, formed in 1961 by the amalgamation of the Progressives and the General Zionists, held its first conference in May 1963. Peretz Bernstein and Phinehas Rosen were elected co-presidents, Joseph Saphir chairman of the executive, and Moses Kol chairman of the council.

Communal Issues

The question of the status and conditions of the Sephardim, Yemenites, and other non-Ashkenazi communities, now about half of the population, came to the fore on several occasions.

In August 1963 Professor André Chouraqui resigned as adviser to the prime minister on “integration of the exiles,” on the ground that a special department, with executive powers, was needed to close the gap between Israelis of Western and Oriental origin. No successor was appointed.

In the Kneset on February 25, Prime Minister Ben-Gurion described the term “integration of the exiles” as “mistaken and deceptive.” He said: “The
true problem with which we are confronted by the immigration of over a million Jews from various countries is not 'merging' but education, and the closing of the gap between poor immigrants and those who are not."

In the municipal elections in Ashdod (August 13, 1963) and Beersheba (August 27, 1963) tickets headed by Oriental immigrants who had broken away from Mapai were entered. They were supported by a new, mainly Sephardi, countrywide organization called Ahawah ("Brotherhood"), which spoke of sponsoring candidates in the next Keneset elections. In each case, though a Sephardi headed the Mapai list, the breakaway candidates won two seats (as against three for Mapai in Ashdod and four in Beersheba). Nevertheless, Mapai succeeded in setting up coalition executives headed by its nominees in both towns.

In the summer of 1963 it was reported that Elijah Sasson, a Sephardi, had submitted his resignation as minister of posts, mainly because he felt that the government was not doing enough to improve the condition of the Sephardim. He withdrew his resignation in October but continued to advocate the establishment of a special ministry for the integration of the exiles and a national association of Sephardim.

**Soblen Case**

On July 22, 1962, the cabinet appointed a committee to investigate the circumstances associated with the deportation on July 1 of Dr. Robert Soblen (AJYB, 1963 [Vol. 64], p. 379). The members were Golda Meir, Bekhor Shitreet, Dov Joseph, Moses Shapira, and Israel Bar-Yehuda. The committee did not report until January 1963. It found that the order for Soblen's expulsion had been legal and carried out according to law, but called for a more careful definition of the procedures to be followed in such cases and of the authority of officials to convey orders on behalf of the government. It stated that there had been "certain mishaps" owing to the absence of clear regulations on the subject and the gratuitous intervention of two senior officials who had had no formal authority to act.

Soblen had been allowed to get in touch with a lawyer immediately on his arrest but had not been informed of his impending deportation until 10 p.m. the evening before. The committee recommended that in the future a deportee should be enabled to communicate with his lawyer after receiving official notification and before actual deportation.

The committee also found that there had been no negotiations between Israel and the United States government in regard to the deportation, that the prime minister had informed the United States ambassador that this was an internal matter governed by Israeli law, and that Israel had not requested or approved escort by any American law officer.

**New Towns**

The new town of Arad in the eastern Negev, overlooking the Dead Sea, was inaugurated in November 1962. The population of 25,000 was to be
employed at the Dead Sea potash and bromine works and in new industries based on the area's natural resources.

Construction of the new town of Karmiel in Galilee was started, and preparations were initiated for a new industrial and residential area in the Modi'in region, to take the population overflow from Tel-Aviv.

Prime Minister Eshkol announced a new project, to cost £282 million (about $27 million) in the first stage, for the industrial and agricultural development of central Galilee, where Arabs are a high proportion of the population.

POPULATION AND IMMIGRATION

The estimated population at the end of 1963 was 2,430,100; 2,155,500 Jews and approximately 192,000 Moslems, 57,000 Christians, and 25,000 Druses.

<table>
<thead>
<tr>
<th>Year End</th>
<th>Total</th>
<th>Jews</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948 a</td>
<td>914.7</td>
<td>758.7</td>
<td>156.0 c</td>
</tr>
<tr>
<td>1949 a</td>
<td>1,173.9</td>
<td>1,013.9</td>
<td>160.0</td>
</tr>
<tr>
<td>1950 a</td>
<td>1,370.1</td>
<td>1,203.0</td>
<td>167.1</td>
</tr>
<tr>
<td>1951 a</td>
<td>1,577.8</td>
<td>1,404.4</td>
<td>173.4</td>
</tr>
<tr>
<td>1952 a</td>
<td>1,629.5</td>
<td>1,450.2</td>
<td>179.3</td>
</tr>
<tr>
<td>1953 a</td>
<td>1,669.4</td>
<td>1,483.6</td>
<td>185.8</td>
</tr>
<tr>
<td>1954 a</td>
<td>1,717.8</td>
<td>1,526.0</td>
<td>191.8</td>
</tr>
<tr>
<td>1955 a</td>
<td>1,789.1</td>
<td>1,590.5</td>
<td>198.6</td>
</tr>
<tr>
<td>1956 a</td>
<td>1,872.4</td>
<td>1,667.5</td>
<td>204.9</td>
</tr>
<tr>
<td>1957 a</td>
<td>1,976.0</td>
<td>1,762.8</td>
<td>213.2</td>
</tr>
<tr>
<td>1958 a</td>
<td>2,031.7</td>
<td>1,810.2</td>
<td>221.5</td>
</tr>
<tr>
<td>1959 a</td>
<td>2,088.7</td>
<td>1,858.8</td>
<td>229.9</td>
</tr>
<tr>
<td>1960 a</td>
<td>2,150.4</td>
<td>1,911.3</td>
<td>239.1</td>
</tr>
<tr>
<td>1961 b</td>
<td>2,234.2</td>
<td>1,981.7</td>
<td>252.5</td>
</tr>
<tr>
<td>1962 b</td>
<td>2,331.8</td>
<td>2,068.9</td>
<td>262.9</td>
</tr>
<tr>
<td>1963 b</td>
<td>2,430.1</td>
<td>2,155.5</td>
<td>274.6</td>
</tr>
</tbody>
</table>

Based on population registration of November 8, 1948. Includes tourists present in the country but not residents absent abroad.

Includes residents absent abroad but not tourists present in the country.

Includes an estimate of residents in areas added after November, 1948.

Immigration figures were not disclosed, but Jewish Agency spokesmen stated that the total for the year 1962–63 exceeded advance estimates, and was expected to be even higher in 1963–64. There was an increase in immigration from the West during 1963; some 8,000 came in from Latin America, 2,000 from the United States, and 800 from Great Britain.

In October 1963 Jewish Agency Treasurer Aryeh Pincus stated that during the previous two years $360 million had been spent on the transportation, housing, and absorption of immigrants, and the establishment and
consolidation of new settlements. The Agency's share of this expenditure had been $141 million. Only half the budget, he disclosed, was used to meet current needs; the rest went to cover debt charges and complete the integration and settlement of the immigrants of previous years.

Finance Minister Sappir said that the Israeli taxpayer would have to contribute $100 million towards the absorption of the current year's immigrants. He explained that since there had been a greater number of immigrants than expected, many of whom were not in good health, there had been a considerable addition to the 21,000 families already receiving social-welfare aid.

The population of the remaining ma'barot (temporary immigrant quarters) had fallen to 1,500 families and 800 individuals, according to figures published by the ministry of housing in November 1963. Housing Minister Joseph Almogi declared that the government would not put the newcomers into ma'barot.

**ECONOMIC DEVELOPMENTS**

Israel's economy continued to expand at a rapid rate, with considerable increases in gross national product, national income, industrial output, and exports, and declining unemployment. However, while the adverse trade balance was reduced in 1963, the country still had to face serious problems arising out of the increased economic activity.

**Developments in 1962**

The beneficial effects of the devaluation of the currency in February began to be apparent towards the end of that year. In the first nine months imports were 18 per cent higher than in January–September 1961, while in the last quarter there was a one per-cent fall in comparison with October–December 1961. Over 1962 as a whole, exports of goods and services rose by $78 million, or 18 per cent, while imports increased by $101 million (12 per cent), with the result that the adverse trade balance rose by $23 million to $454.6 million.

As a result of devaluation, capital imports rose to $543 million, so that foreign-currency reserves left after the import surplus had been covered grew by $110 million. This was accompanied by large-scale conversion of foreign currency, which led to monetary expansion in January–May 1963. However, countermeasures by the government and the Bank of Israel reduced the extent of increase in bank credits to the public.

The gross national product grew by 11 to 12 per cent, largely because of increased activity in building and transportation. The gainfully employed rose 5.7 per cent (a higher rate than the population growth of 4.5 per cent), and product per person employed by some 6 per cent. Unemployment fell from 4.7 to 3.8 per cent of the labor force.
Investment prices rose 20 per cent and retail prices 9 to 10 per cent, but stabilization was reached at the end of 1962.

By correcting the prevailing distortions due to the existence of multiple exchange rates, devaluation laid the foundations for healthy development, but the rapid monetary expansion overstimulated economic activity.

**Developments in 1963**

The positive trends due to devaluation began to weaken in the second half of 1963. Under the pressure of monetary expansion, full employment, and the intensification of economic activity, imports began to expand and exports to contract. Over the year as a whole, exports rose 20 per cent to $605 million, while imports rose only 6 per cent, to $1,012 million, with the result that the adverse balance of trade fell 11 per cent, from $455 million to $407 million. Capital imports continued, especially in the form of private transfers and private investments, which increased $67 million. The money supply increased £353 million ($151 million), or 28 per cent.

The pressure of demand was not fully reflected by increases in the prices of commodities and services, mainly because of government intervention and the liberalization of restrictions on imports. The domestic price level rose 7 per cent, partly reflecting price increases in the latter part of 1962, but prices of industrial products and most services rose much more moderately. There was a steep rise in the prices of real estate and shares, however, and despite the official wage-freeze, wages per hour worked rose 11 per cent. Sixty per cent of this increase was due to increased cost-of-living allowances.

The Bank of Israel's report for 1963 summed up the position as follows:

The crucial problem facing the economy at the end of 1963 was: How far was it possible to assure a balanced economy, maintain stable prices, and persevere with a sound income policy during a period of feverish economic activity, when enormous pressures are exerted against a limited quantity of physical production factors and the expansion of output depends less on the total capacity of the production factors than on those factors in short supply which are creating bottlenecks in the productive system? ¹

The following tables from the 1963 report show some of the main developments over the two years:

**TABLE 2. NATIONAL INCOME AND GROSS NATIONAL PRODUCT, 1961, 1962, and 1963**

*(In £ millions at current prices and with increases over previous year)*

<table>
<thead>
<tr>
<th></th>
<th>1961</th>
<th>Per-Cent Increase</th>
<th>1962</th>
<th>Per-Cent Increase</th>
<th>1963</th>
<th>Per-Cent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>National income</td>
<td>4,168</td>
<td>18.7</td>
<td>4,986</td>
<td>19.6</td>
<td>6,123</td>
<td>22.8</td>
</tr>
<tr>
<td>Gross nat'l. prod.</td>
<td>5,536</td>
<td>20.0</td>
<td>6,652</td>
<td>20.2</td>
<td>7,929</td>
<td>19.2</td>
</tr>
</tbody>
</table>

¹ From Table B3, p. 14, Hebrew ed.

TABLE 3. BALANCE OF PAYMENTS, 1961, 1962, and 1963 a
(In millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>1961</th>
<th>1962</th>
<th>1963</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Per-Cent</td>
<td>Amount</td>
</tr>
<tr>
<td>Imports of goods and services</td>
<td>856.9</td>
<td>23</td>
<td>957.8</td>
</tr>
<tr>
<td>Exports of goods and services</td>
<td>425.1</td>
<td>17</td>
<td>503.2</td>
</tr>
<tr>
<td>Import balance</td>
<td>431.8</td>
<td>28</td>
<td>454.6</td>
</tr>
<tr>
<td>Unilateral transfers</td>
<td>346.3</td>
<td>11</td>
<td>330.7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term capital movements</td>
<td>176.1</td>
<td>74</td>
<td>203.1</td>
</tr>
<tr>
<td>Short-term capital movements</td>
<td>-71.9</td>
<td></td>
<td>-104.7</td>
</tr>
<tr>
<td>Errors and omissions, net</td>
<td>-18.7</td>
<td></td>
<td>+25.5</td>
</tr>
</tbody>
</table>

*From Table Cl, p. 24, ibid.

TABLE 4. SOURCES OF CAPITAL IMPORTS, 1961, 1962, and 1963 a
(In millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>1961</th>
<th>1962</th>
<th>1963</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers to individuals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private transfers</td>
<td>45</td>
<td>68</td>
<td>92</td>
</tr>
<tr>
<td>Personal restitution from Germany</td>
<td>111</td>
<td>134</td>
<td>139</td>
</tr>
<tr>
<td>Foreign investments</td>
<td>52</td>
<td>82</td>
<td>125</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>208</td>
<td>284</td>
<td>356</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1961</th>
<th>1962</th>
<th>1963</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers to the public sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reparations from Germany</td>
<td>88</td>
<td>47</td>
<td>28</td>
</tr>
<tr>
<td>U.S. Government grants</td>
<td>10</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>U.S. Government loans</td>
<td>42</td>
<td>45</td>
<td>50</td>
</tr>
<tr>
<td>Transfers by institutions</td>
<td>92</td>
<td>74</td>
<td>85</td>
</tr>
<tr>
<td>Independence and Development Loan (State of Israel Bonds)</td>
<td>23</td>
<td>32</td>
<td>23</td>
</tr>
<tr>
<td>Other long- and medium-term loans, net</td>
<td>21</td>
<td>52</td>
<td>-29</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>285</td>
<td>259</td>
<td>163</td>
</tr>
<tr>
<td><strong>GRAND TOTAL</strong></td>
<td>493</td>
<td>543</td>
<td>519</td>
</tr>
</tbody>
</table>

*From Table C5, p. 31, ibid.

EDUCATION, SCIENCE, AND CULTURE

School enrolment was estimated at 660,000 in 1962–63 and 690,000 in 1963–64.

The government concentrated on the expansion of post-primary education and special help for schools in immigrant areas and children from poor or large families, including a longer school day, an additional month's schooling, extra coaching, and free kindergartens for three- and four-year-old children.

Work was started on the building of five comprehensive schools, with sections for academic, vocational, and agricultural education, in immigrant areas.
Minister of Education Abba Eban told the Kneset in March 1963 that 60 per cent of young people 14 to 17 years old were in school and that in six years the proportion of secondary-school seniors from African and Asian countries had risen from 8.6 to 16.2 per cent. The aim, he said was "secondary education for all who want it and are qualified, with the removal of the financial barriers that keep out those of limited means."

A committee was appointed in October 1963 to study Ben-Gurion's proposal to extend free, compulsory schooling for a further two years, to the age of 16.

An institute for the advancement of education was founded by the ministry of education and the prime minister's office in conjunction with the Jewish Agency to channel donations and endowments for the encouragement of post-primary and higher education for children of immigrants, particularly of the Oriental communities. The government undertook to match the funds donated from abroad.

**Higher Education**

The Hebrew University had 8,200 students in the 1962-63 session and 9,200 at the beginning of 1963-64, the increase being mainly in the humanities, social sciences, and law. The latter figure included 550 research students and some 600 from abroad, most of whom were taking a year of Jewish studies. A hundred came from African and Asian countries (the majority attending a special medical course) and there were 160 Arabs and Druses, compared with 112 in 1962-63.

New developments included the establishment of an institute of research in Jewish law; the expansion of the school of Oriental studies under the name of the Institute of African and Asian Studies; the extension of Russian studies; the inauguration of a postgraduate medical institute in the university's Tel-Aviv branch, especially for immigrant doctors; the beginning of work on new buildings for the psychology and chemistry departments, and a special preparatory course for soldiers from the Oriental communities. In cooperation with the municipality, Hebrew University founded a new university institute in Haifa. At the beginning of its first session in October 1963 it had 800 students, including 350 from the former Advanced School of Humanities and Social Studies, which it superseded.

The continual rise in enrolment faced the university with a shortage of buildings and teachers.

The Technion, Israel Institute of Technology, in Haifa, had 2,225 students in 1962-63 and a record freshman enrolment of over 800 brought the 1963-64 total to over 2,500. In addition, there were 750 in the graduate school, about a thousand each in the junior technical college and the technical high school, and 4,000 in extension courses.

Courses in social studies and the humanities were made compulsory beginning with the 1962-63 session. Other innovations were the establishment of a department of life sciences; the acquisition of a nuclear accelerator;
the introduction of graduate studies in building materials; a four-year mineral-engineering program; a special course in engineering for students from developing countries, and a preparatory course for soldiers of Oriental origin.

The graduate school of the Weizmann Institute had 135 students preparing for the M.Sc. and the Ph.D. degrees.

Bar-Ilan (religious) University opened the 1963–64 year with 1,150 students and 50 new courses.

George S. Wise of New York was appointed president of the Tel-Aviv University, which had a student body of almost 2,000 in 1963–64. He planned a considerable expansion of the university with the municipality's support. A campus was under construction in the north of the city.

Scientific Research

In 1963 the Weizmann Institute of Science at Rehovot had a scientific staff of 300, in 18 research units. The Ullmann Institute of the Life Sciences was established, with the aid of the Max Planck Institute, as a tribute to Jewish scientists who were victims of the Nazis. It included departments of theoretical chemical physics and chemical immunology.

Some 300 research projects were in progress in the Hebrew University, largely with the aid of contracts from the United States government and other agencies, totaling about $1.5 million per annum.

Technion spent about a million dollars a year on research, one-third of which was financed by outside sponsors and administered by its foundation for research and development.

Cultural Activities

Israel prizes in the arts and sciences were awarded on Independence Day, April 29, 1963, to Professor Nathan Rotenstreich for his books *Spirit and Man* and *Problems in Philosophy*; Rabbi Menahem Kasher, for his 20-volume compendium of Bible commentaries, *Torah Shelemah*; Eliezer Steinman, for his life's work in Hebrew literature; Professor Abraham Fahn, for researches into plant anatomy, and Mordecai Ardon, a painter.

Bat-Yam municipality opened a Sholem Asch museum and Tel-Aviv provided a site for a Sholem Aleichem house.

Musical events included the second world harp contest in September 1962, and the third Israel festival of music and drama in July–August 1963.

Mordecai Ardon held his first retrospective exhibition in Israel in July 1963, and an international sculptors’ seminar took place in the Negev in November 1962.

The 1963–64 theater season was the most successful in recent years. A number of original Hebrew plays were presented, including Aaron Meged’s *Genesis*, Moses Shamir’s *House in Good Condition* and the *Inheritor*, Joseph Bar-Yosef’s *Tura*, and Ben-Zion Tomer’s *Children of the Shadow*. Among the translations were Brecht’s *Caucasian Chalk Circle* and Maya-
kovski's *The Bedbug* (Haifa Municipal Theater); Büchner's *Wozzeck* and Shakespeare's *Much Ado About Nothing* (Kameri); Duerenmatt's *The Physicists* and *The King Must Die* and Ustinov's *Photo Finish* (Habimah).

Important archeological excavations at Massada, under the direction of Professor Yigael Yadin, started in October 1963. Professor Yadin also published an account of the Bar Kokheba finds of 1962. Other interesting remains uncovered included a royal citadel at Ramat Rachel and the Philistine city of Ashdod.

Martin Buber celebrated his 85th birthday.

Outstanding international gatherings held in Israel included the 66th annual convention of ZOA; the second World Conference of Jewish Youth; the silver-jubilee study mission of the UJA; the 30th anniversary conference of Youth Aliyah; the second American-Israel Dialogue of AJCongress; an international conference of art critics; the Conference on East and West in Music; the World Conference of Baptists, and the World Conference of Junior Chambers International.

**RELIGIOUS AFFAIRS**

The supreme court ruled on several cases affecting the status of religion in Israel.

On December 6, 1962, the court rejected 4 to 1 the claim of Oswald Rufeisen, known as Brother Daniel, to Israeli citizenship and registration as a Jew by nationality under the 1950 Law of the Return. Rufeisen, born and bred a Jew in Poland, had joined the Catholic church and become a Carmelite monk. He was offered citizenship by naturalization, but demanded recognition as a Jew under the 1950 law, which granted every Jew the automatic right to immigrate to Israel.

The court ruled that the first claim must be rejected because, in the words of Justice Tsevi Berinson:

> A Jew who has changed his religion cannot be recognized as a Jew in the sense that the Keneset intended in the Law of the Return and in the sense in which the term is used by the people.

The claim to registration as a Jew by nationality was refused because a cabinet decision in July 1958 had confined the privilege to a person who in good faith declares himself to be a Jew and does not belong to another religion.

In February 1963 the court ordered the ministry of the interior's population-registration division to register a non-Israeli Christian woman as the wife of the Israeli Jew she had married in a civil ceremony in Cyprus. The ministry had argued that the marriage was not valid under Israeli law, which required all marriages of Jews domiciled in Israel to be conducted according to religious law. The judgment stated that *prima facie* proof that a marriage
ceremony had taken place was sufficient to obligate the clerk to record it. The question of the validity of the marriage under Israeli law was not at issue.

In October 1963 the supreme court refused, 3 to 2, to order the ministry of the interior to register a marriage between a Kohen and a divorced woman; the ceremony had taken place without a rabbi, before four witnesses. Justice Moses Silberg said that such a marriage imperiled the clear purpose of the legislature, and suggested that the couple could ask a religious court for a declaratory judgment confirming that they were married. Justice Alfred Witkon held that the marriage should be registered because even though forbidden by Jewish religious law it was valid *post factum*.

Religious circles denounced Supreme Court Justice Hayyim Cohn for stating at the AJCongress-sponsored Israel-American Dialogue in June 1963 that "the same biological or racist approach which was propagated by the Nazis and characterized the infamous Nuremberg Laws" had become "the basis for the official determination or rejection of Jewishness in the State of Israel." On July 24 Justice Minister Dov Joseph told the Keneset that Justice Cohn had regretted, in a letter to Supreme Court President Isaac Olshan, that expressions he had used had given the false impression that he intended to disparage the Jewish religion.

The question of the Bene Israel community from India, of whom there were about 7,000 in Israel, came to the fore again in July 1963, when a small number of families from the new town of Dimona staged a sit-down demonstration outside the Jewish Agency offices in Jerusalem in protest against the chief rabbinate's directives on marriages affecting them adversely (AJYB, 1963 [Vol. 64], p. 391).

The Jewish Agency denied responsibility and refused to repatriate the demonstrators, some of whom had already been back to India and were being helped to settle in Israel for a second time. The demonstration was called off at the end of August after a delegation had been received by Prime Minister Eshkol, who expressed his sympathy with the Bene Israel, but said that the government could not impose its views on the chief rabbinate in matters under its jurisdiction.

The Hebrew Union College Biblical and Archeological School was opened in Jerusalem in March 1963 in the presence of 250 leaders of American Reform Judaism.

Pope John XXIII's initiatives generally met with a sympathetic response in Israel. In April Chief Rabbi Isaac Nissim welcomed the Pope's *Pacem in Terris* encyclical calling for a ban on atomic weapons and his condemnation of racial discrimination. President Shazar, Chief Rabbi Nissim, and Minister of Religious Affairs Warhaftig sent messages of condolence upon the death of Pope John in June 1963.

Some progress was made towards the election of a new Ashkenazi chief rabbi. An election committee was designated, consisting of four members appointed by the minister of religious affairs, four representatives of the
council of the chief rabbinate, and Supreme Court Justice Moses Silberg as chairman. It was to supervise the formation of an electoral college of 75 rabbis and 50 representatives of local authorities and religious councils.

ARABS AND DRUSES

In October 1963 Prime Minister Eshkol announced further relaxations of military-government restrictions in border areas. The order enabled Arabs, except specified persons with police records and those living in a small number of border villages, to move freely without individual permits. Eshkol declared, however, that military government would have to be retained "as long as there is no fundamental change in Israel's security situation."

The prime minister said that there had been considerable progress in carrying out the government's five-year plan for the development of Arab villages by the provision of roads, water supply, electricity, health services, and housing. Out of some 12,000 claims for compulsorily acquired lands, 9,600 had been settled. The Arab school population had risen to 46,000, compared with 11,000 in 1948–49; 95 per cent of Arab five-year-old children attended kindergarten; 82 per cent of Arab children between 8 and 13 were in school, compared with 97 per cent among Jews. There were 12 Arab secondary schools as against two in 1948, and 130 Arab and Druse students in the Hebrew University, which had 10 in 1950. Two thousand Arabs and Druses were employed in the civil service, out of approximately 50,000 persons.

Of the approximately 270,000 Arabs and Druses in Israel, about half had been born since the establishment of the state. Thirty per cent of breadwinners were employed in industry, compared with 13 per cent in 1948, while the percentage in agriculture had fallen from 57 to 48.

PERSONALIA

Meir Argov, member of the Keneset, died in Petah Tikvah on November 24, 1963, at the age of 58. Ami Assaf, deputy minister of education, died in Tel-Aviv on May 17, 1963, at the age of 61. Rabbi Yehuda Leib Avida (Zlotnik), noted scholar and Mizrahi leader, died in Jerusalem on September 21, 1962, at the age of 74. Isaac Ben-Zvi, president of Israel, died in Jerusalem on April 23, 1963, at the age of 78 (p. 305). Herzl Berger, member of the Keneset and co-editor of Davar, died in Tel-Aviv on August 28, 1962, at the age of 58. Kurt Blumenfeld, former president of the Zionist Organization of Germany and a founder of the Keren ha-Yesod, died in Tel-Aviv on May 23, 1963, at the age of 79. Bessie Gotsfeld, founder of the Mizrahi Women's Organization of America, died in Tel-Aviv, July 29, 1962, at the age of 72. Abraham Granott, world president of JNF, died in Jerusalem on July 21, 1962, at the age of 72. Aaron Jacob Grin-
berg, deputy speaker of the Keneset, died in Ayelet ha-Shahar on April 2, 1963, at the age of 62. Rabbi Baruch Hager, the Vishnitzer rebbe, died in Haifa on October 22, 1963, at the age of 69. Giora Josephtal, minister of development and housing, died in Switzerland on August 22, 1962, at the age of 50. Reuven Katz, chief rabbi of Petah Tikvah, died in Petah Tikvah on November 4, 1963, at the age of 83. Isaiah Klinov, journalist, died in Jerusalem on October 22, 1963, at the age of 73. Bertha Landsman, pioneer Hadassah nurse, died in Jerusalem on September 4, 1962, at the age of 80. Solomon Lavie, a founder of Ein Harod, and former member of the Keneset, died in Tel-Aviv in August 1963, at the age of 81. Mané Katz, internationally famous artist, died in Tel-Aviv on September 8, 1962, at the age of 68. Professor Ezekiel Kaufman, professor emeritus of Bible at the Hebrew University, died in Jerusalem on October 9, 1963, at the age of 75. Rabbi Judah Leib Maimon, first minister for religious affairs and a founder of the world Mizrahi movement, died in Tel-Aviv on July 10, 1962, at the age of 87. Rabbi Mordecai Nurock, member of the Keneset and a founder of the world Mizrahi movement, died in Tel-Aviv on November 8, 1962, at the age of 74. Martin Rosenblueth, veteran Zionist, died in Tel-Aviv on July 7, 1963, at the age of 77. Hanan Rubin, member of the Keneset, died in Jerusalem on October 24, 1962, at the age of 54. Anna Weizmann, noted researcher in organic chemistry and sister of the late Chaim Weizmann, died at Rehovot on February 18, 1963, at the age of 72.

MISHA LOUVISH