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State Dept. squelches probe of illegal arms exports

Anxious to keep relations with Israel on an even keel, the State Department closed down an investigation into allegations that Israel transferred Patriot missile technology to China and ignored a subsequent report that two Chinese diplomats confirmed the Patriot transfer. The State Department also distanced itself from a report by its own inspector general that Israel illegally re-exported US arms technology.

Many details of the report, issued on April 1st by State Department Inspector General Sherman M. Funk, had already been revealed, first by leaks to the media and then by Funk himself. (IFA 3/92) Indeed, the unclassified 69-page version of Funk's *Report of Audit, Department of State Defense Trade Controls*,¹ does not name Israel or describe the unauthorized arms sales to South Africa, China, Ethiopia and Chile that were leaked to the *Wall Street Journal* last month. But administration officials confirmed that Israel was the "major recipient of US weapons" cited in the report.²

The unclassified report says that, although Israel signed the legally required undertakings promising not to pass on certain military wares obtained from the US, and although it gave repeated assurances that it was not re-exporting weapons, the inspector-general's investigation found

significant alleged violations of the...retransfer restrictions by a major recipient of US weapons and technology.... The violations include sales of sensitive US items and technology to countries prohibited from receiving such items. The violations cited and supported by reliable intelligence information show a systematic and growing pattern of unauthorized transfers by the recipient dating back to about 1983.

The report said that the State Department's bureau of politico-military affairs, "which is responsible for initiating the reports of violations and ensuring compliance with US laws and regulations governing arms exports," had not "initiated a report of violations to Congress or informed senior department officials of the reported violations." Arms export laws require notification of Congress whether illegal transfers are confirmed or only suspected.

Moreover, said the inspector general's report, although all other countries receiving US arms were subject to inspections under the bureau's "Blue Lantern" verification program, the politico-military bureau instructed the Blue Lantern officer in Israel "not to conduct actual end-use checks, and...to accept oral and written government assurances as sufficient end-use verification." The only checks done in Israel were on the final destination of small

arms and ammunition ordered for private firms.

In a discussion with reporters when he released the report, Funk said that last year the bureau sent a cable to the US embassy in Tel Aviv, telling it not to confront the Israeli government over retransfer issues, but to accept Israel's oral assurances that weapons were being used in compliance with US export control regulations. The cable bore the signature of Secretary of State James Baker, although Baker was surprised to learn of the order when Funk told him about it several months later.

Funk said that Baker and Undersecretary of State Lawrence Eagleburger then took immediate steps to end the special treatment.³ In his report he writes that new formal reporting procedures were instituted last August 24, and on September 18 Eagleburger gave an oral report to House Speaker Tom Foley and to Sen. Claiborne Pell, chair of the Senate foreign relations committee.

However, in a memorandum included in the inspector-general's report, Eagleburger rejected Funk's recommendation that Assistant Secretary of State Richard A. Clarke, who heads the politico-military affairs bureau, be disciplined. And, contrary to reports last month that Clarke was to be transferred, the State Department recently said that Secretary Baker had full confidence in him.⁴ Funk's recommendation has now been kicked upstairs for consideration by Edward Perkins, head of the Foreign Service.⁵

During the State Department's daily briefing on April 2, spokeswoman Margaret Tutwiler sought to throttle down the issue, claiming that there were "many differences of opinion" about the report in the State Department.⁶ Tutwiler insisted that

This was not a report on any foreign country. The recommendations relate primarily to how we, the Department of State, can improve [the export monitoring] process. Examples of specific cases and countries are not part of the unclassified section so you can obviously understand, I will not be getting into specific cases or countries.⁷

The classified version of Funk's report has been sent to Congress, where, the inspector general told reporters, it has "received intense interest." "I'll be discussing this with a number of committees shortly," he said.⁸

The main business of the State Department's April 2 briefing was to announce that a US inspection team had returned from Israel without finding any evidence that Israel had diverted Patriot missile technology to China. "We consider the matter closed," said spokeswoman Tutwiler.⁹

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Angola: formal ties; arms-for-diamonds deals

Against the background of a report that it is trading arms for diamonds with both Angolan officials and the CIA-backed Unita opposition movement, Israel celebrated the establishment of diplomatic relations with Angola on April 16.

The formalities were transacted at Angola's UN mission in New York. The two governments issued a communique saying they were "desirous of developing and strengthening the relations of friendship and cooperation [on] the basis of universally recognized principles of international law."¹

Meanwhile, in Angola, an adviser to President Jose Eduardo dos Santos is "presiding over" an off-the-books arms-for-diamonds exchange with Israel according to the London-based weekly *SouthScan*

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Israeli arms resold to Arabs

The Israeli defense ministry's sales department has set up a new unit to sell weapons to Eastern Europe,¹ a market it has already tested. Indeed, while Israel complains bitterly about US weapons sales to Arab governments, Czechoslovakia is selling weapons components it bought from Israel to Arab governments. And Israel doesn't seem to care.

Czechoslovakia recently sold MiG-23's containing Israeli components to Egypt and another North African country, according to an Israeli report. An Israeli minister, who recently visited Prague (he is not identified by name in the report), said he had been told there that Czechoslovakia includes Israeli components in other arms systems which it sells on demand.²

The report followed by days an announcement that the Israeli military electronics manufacturer Elbit was negotiating a contract worth \$150 million with "a foreign customer" involving the sale of Czech-manufactured trainer aircraft outfitted with Elbit avionics. Elbit is to represent the aircraft manufacturer and act as the prime contractor in the deal, according to a cryptic statement issued by Lippert/Heilshorn & Associates, Elbit's "investor relations" representative.³

This month the chief of staff of the Israeli military, Ehud Barak, announced during a visit to Poland that the two countries are to exchange military attaches, as "an appropriate step in the gradual process of building normal relations between our countries." It will be Israel's first exchange of military attaches with a member of the former Warsaw Pact.⁴ Coming at a time when Israel is shutting down other military missions abroad,⁵ the attache's office may well be the foreign operations center of the defense ministry's new unit.

1.. *Ha'aretz* 4/12/92*. 2. *Ibid.* 3/16/92*. 3. *Business Wire* 3/31/92. 4. *JP* 4/6 and 4/9/92. 5. *JR* 4/9/92.

Vanunu's appeal rejected

Israel's Supreme Court has rejected Mordecai Vanunu's appeal for a new hearing on his 1988 conviction for giving information about Israel's nuclear weapons program to a London newspaper. In a continuation of the tight secrecy -- supposedly for "security" reasons -- maintained during Vanunu's "trial," the substance of the appeal has been kept under wraps, except for Vanunu's argument that he meant no harm. The court put off announcing its decision until two months after it was made.¹

Israel has also refused to move Vanunu, a former technician at its Dimona nuclear weapons plant, out of his isolation cell. Over a year ago Vanunu's attorney Avigdor Feldman, worried that continued isolation might impair Vanunu's sanity, requested that he be examined by a psychiatrist. Feldman says "I never got the results of the examination." Vanunu has physical symptoms that Feldman believes are psychosomatic and, says the attorney, he is "quite afraid that the authorities will drive him crazy... Then he will also lose his credibility."² Vanunu, who was sentenced to 18 years, has been in solitary confinement since Mossad agents kidnapped him in Italy in 1986. (*IFA* 1/87, 3/87, 4/87, 7/87, 9/87, 1/88, 4/88, 5/89, 2/90, 7/90, 8/91)

1. *QY* 1100 2/11/92*. 2. *Ha'aretz* 10/25/91, transl. by I. Shahak.

Arms exports ... (from page 1)

The inspection team had determined that the 64 missiles from Israel's two Patriot batteries had not been removed from the country or tampered with. But officials admitted they could not tell if Israel had permitted Chinese officials to examine them.¹⁰

US officials acknowledged that there were unresolved questions, but that they had closed the inquiry to avoid further damage to relations with Israel.¹¹

In March, soon after the *Washington Times* reported on suspicions that Israel had shared Patriot technology with China, Chinese diplomatic attaches in the Netherlands and Syria approached US diplomats in the two countries and confirmed that China had obtained sensitive Patriot missile data from Israel. US intelligence officials reportedly construed the Chinese admission as either an attempt at damage control or an indication of a factional discord within the Chinese government, reported *New York Newsday* in an April 7 article based on US military and civilian intelligence sources.

The State Department may well have known of the Chinese confirmation when it gave Israel "a clean bill of health"¹² on April 2. On April 9 the *Washington Times* reported that "The Defense Intelligence Agency reported in secret US government channels last week that two Chinese diplomats in different countries said the technology transfer occurred."

Asked on April 6 whether the Chinese information "shed new light on the allegations," State Department spokesman Richard Boucher only said that the US inspection team had "found no evidence" in Israel of a Patriot transfer, *Newsday* reported. (Asked about the Chinese information, an Israeli embassy spokeswoman said the allegations that Israel had transferred the Patriot had been "thoroughly investigated by American experts who came up with nothing. There is no reason to keeping digging into something that is not true."¹³)

Earlier two US officials familiar with the original intelligence report of the Patriot transfer had characterized it as "compelling" and leaving little doubt.¹⁴

The State Department's pro-

nouncement that Israel had "a clean bill of health" on the Patriot charges and had extended "superb cooperation" to US investigators was short of the apology Prime Minister Yitzhak Shamir wanted. During the week-long inspection, Israeli officials griped anonymously that it was humiliating, akin to the UN inspections of Iraqi defense installations.¹⁵ "We expect that those...who slandered Israel will also have the decency to apologize, even if anonymously," Shamir said on March 29,¹⁶ as the US inspection team finished its investigation and Israeli officials hastened to announce that nothing had been found.¹⁷

"Those who leaked intelligence reports owe both the United States government and the Israeli government an apology," said Tutwiler on April 2.¹⁸

The Pentagon was less forthcoming. An Israeli reporter told the *Washington Times* (4/10/92) that the US embassy in Israel was telling reporters to call the Pentagon spokesman Pete Williams who would "exonerate" Israel on the Patriot charges. But, the paper said, "after checking it out with [defense secretary Dick] Cheney earlier this week, he declined several times to let Israel off the hook."

A Pentagon source told the *Jerusalem Post* (3/29/92) that a letter President Bush sent to a Republican Jewish fundraiser expressing hope that bilateral relations could be improved in the wake of Washington's denial of \$10 billion in loan guarantees to Israel was "considerably more than what your government did when a minister outrightly called Bush an antisemite."

The 17-person Patriot inspection team included both state and defense department personnel. It was headed by Sinclair Martel, deputy assistant secretary of state in the bureau of politico-military affairs. The State Department delayed its exoneration announcement several days, saying that Martel must first brief Undersecretary Lawrence Eagleburger, who would, in turn, brief Secretary of State James Baker.¹⁹

During the Reagan administration the bureau of politico-military affairs was the lead agency for covert "strategic" cooperation with Israel under a series of "strategic agreements" that linked such perks as the

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Ethiopians segregated, neglected

Two thousand and five hundred Ethiopian Jews left behind when the "Operation Solomon" airlift brought 14,500 of their compatriots to Israel last May, have now been brought to Israel. And, according to officials of the quasi-governmental Jewish Agency, the remaining 3,000 will be brought to Israel "within a matter of months."¹ About 400 Ethiopian Jews were brought to Israel in February.² But Israel has yet to act on complaints that the Ethiopians brought to the country by "Operation Solomon," are segregated and badly cared for.

It is likely that the Ethiopians now being brought to Israel were those who were in territory held by insurgents in the civil war that was in its final stage at the time of Operation Solomon. (IFA 6/91, 8/91, 9/91, 2/92) The Israeli press, which has in the past been forbidden by the official censor to publish details concerning the Ethiopian Jews, has reported little more than the number of arrivals and that 3,000, are still in Ethiopia.³

Of the 23,500 Ethiopians who have come to Israel since 1990, 13,500 are still stuck in hotels and "absorption" centers and 10,000 are in trailer parks.⁴ Ya'acov Tsur, a member of Israel's parliament who was immigration minister when his Labor Party held power, called a press conference on March 9 to demand a special inquiry into the government's "irresponsible neglect of the absorption needs of the Ethiopian [immigrants]."

Tsur charged that the government's establishment of separate classrooms for Ethiopian and Russian immigrant children was an example of a "new segregation," which, he said "is emerging as a persistent problem not only in education but in housing."

Addisu Messele, head of the Federation of Ethiopian Immigrant Organizations, joined Tsur at the news conference, saying "We have a real crisis with jobs, housing, education and family, and the authorities are simply ignoring our needs." He called attention to one site where 600 Ethiopian children had been six weeks without a classroom and "there isn't even a grocery store where people can buy the basic necessities."

Addisu also suggested that the old problem of the chief rabbis subjecting Ethiopians to special, humiliating conversion ceremonies (IFA *passim*) had not — after seven years — been solved. "For three months now not a single Ethiopian couple has been able to get married because of the problems with the rabbinate," he said. The rabbis won't let those they consider non-Jews marry because they deem the children of such marriages "bastards."⁵

Responding to the charges, Israeli of-

ficials acknowledged that their failure to adhere to the government's own plan to have all the Ethiopians in permanent housing by June was inhibiting their integration.⁶

A month later the only thing that had changed was the urgency of the Ethiopians' protests. Addisu Messele, now representing the United Ethiopian Jewry Organization, told reporters touring three mobile home parks where thousands of Ethiopians have been settled that the government refuses to send the children to secular schools, and, there being no space available in the state religious schools, the children are staying home. Their parents must stay home with them, said Messele, and so they have been missing Hebrew classes. "These parents," he said, "will eventually have difficulty finding a job... [and] society will have to support them."

More than 80% of the Ethiopian immigrants are unemployed (compared to more than 50% of the immigrants from the former Soviet Union). Fewer than 5% of the Ethiopians have been able to buy homes.⁷

Asked about this dismal record, Yehuda Weinrab, a Jewish Agency spokesman resorted to that old saw, primitivism: "The trailer camps are useful because they provide an opportunity to teach the Ethiopians... about plumbing and electricity."

But Messele said the Ethiopians have been told by the housing ministry that "that building contractors would prefer not to rent Ethiopians apartments, as our presence brings down property values."⁸

Avi Bitow, national coordinator of the United Ethiopian Jewry Organization, warned that the mobile home parks "will soon look like Soweto in South Africa." He explained that there are no plans and no coordination between the Jewish Agency, which has been running the parks and the government, which is to take them over in a few months.⁹

Last month Ethiopian families at an absorption center in Kiryat Shmona went on strike to protest what they said were attempts to force them to settle there permanently. The Ethiopians did not want to live within range of Lebanese rockets, which fell on the town in February. They also objected to its distance from central Israel, where the majority of Ethiopians live. The quasi-governmental Jewish Agency, which is in charge of settling the Ethiopians, hastily said they could live wherever they wanted.¹⁰

1.. JP 4/6/92. 2. DPA 2/27/92. 3. JP 3/16/92. 4. AP 4/25/92. 5. JP 3/10/92; P 4/16/92. 6. JP 3/9/92. 7. JR 4/9/92. (The magazine doesn't say whether it is counting the total Ethiopian-Israeli population of 47,000 or those who have arrived in the last few years.) 8. AP 4/25/92. 9. JP 4/9/92. 10. JP 3/10/92.

Breakthrough to Eritrea

In a truly remarkable development, Israel's ambassador to Ethiopia visited Eritrea in February and was received by Issaias Afewerki, secretary-general of the provisional government of the former Ethiopian province.¹ According to one account, the ambassador had also visited Eritrea on September 1, representing Israel at a ceremony marking the victory of the Eritrean People's Liberation Front (EPLF), the insurgent organization headed by Afewerki which routed Ethiopian forces from Eritrea last May.²

For years Israel provided military aid to Ethiopia as a series of governments fought to quell the EPLF. When the EPLF and its allies ousted President Haile Mariam Mengistu last year, it was assumed that all Israel's efforts to keep Eritrea, with its strategic Red Sea coastline, in the hands of an amenable Ethiopian government had gone down the drain. (IFA 5/91, 6/91, 8/91) Eritrea was expected to align itself with the Arab governments that had supported its 30-year struggle. It certainly had no reason to be kindly disposed toward Israel.

Now Eritrea's need to cultivate international support in general and Washington's support in particular for its independence — which is expected to be established following a referendum — has apparently overcome political preferences. Eritrea's official radio noted that the talks between Ambassador Chaim Divon and Secretary Issaias Afewerki, which took place in the capital Asmara, "focused on the relationship between the two countries."³ The two reportedly talked about diplomatic and economic relations.⁴

The London-based Saudi newspaper *Al-Sharq al-Awsat* said it had learned that the Ethiopian government had acted as a mediator between Israel and Eritrea and that the Israelis offered Eritrea aid and relief supplies.

Military and technical people also accompanied the ambassador, said *Al-Sharq al-Awsat*, claiming that "the other aim of the visit was to recover some Israeli properties of security importance seized by Afewerki's forces after they occupied Eritrea." The paper said that Israel's spy agency Mossad "was able to move

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India mulls military ties

India has moved rapidly to parlay its new diplomatic ties with Israel into a military relationship — or at least to toy with the idea, which is a controversial one, judging from the contradictory statements Indian officials have made.

In February, a week after India decided to upgrade its minimal diplomatic links with Israel to ambassadorial status, (IFA 2/92) the *Times of India* said that Israel could replace the Soviet Union as a source of military technology.¹

Also in February, the Defense Minister Sharad Pawar said India might seek Israeli military training: "We are thinking of seeking their cooperation on how to curb terrorism, which they have mastered."² Indian newspapers said that Israeli "terrorism" help may be sought for Kashmir,³ where India is suppressing an independence struggle.

Returning from an international police convention in India, Maj. Gen. (res.) Ya'acov Lapidot, the director of the police affairs ministry, said that India was very interested in Israeli help with "antiterror activities" and a reorganization of the Indian army. India wanted to study Israeli military technology, combat doctrines and the organization of the Israeli army. He elaborated:

The success of the Israel Defense Forces and the Israel Police antiterror activities, as well as the special antiterror squads, the intelligence activity, and the gathering of antiterror intelligence enjoy high esteem in India. The Indians would very much like to secure Israeli assistance and cooperation in these fields.⁴

But on February 27 Krishna Kumar, the Indian minister of state for defense, told the council of states that there were no plans to seek Israeli help. A decision on collaboration with Israel to "fight terrorism" would be "taken at the appropriate time," he said. His remarks were offset by Prime Minister Narasimha Rao, who said India would accept anything from Israel which is "useful for security."⁵

On March 12 Minister of State Kumar told parliament that he had been authorized by the interior ministry to say that there was "no move" to obtain counterinsurgency training from Israel, that there were no proposals on the table for collaboration with Israel in any field and that he was not aware of the "veracity of the context" of Defense Minister Pawar's earlier statement.⁶

But military collaboration was discussed when an Israeli delegation headed by the foreign ministry director, Moshe Yeager, visited India at the end of March. Yeager met with Defense Minister Pawar.⁷ An Indian government spokesman did not elaborate on specific questions asked by reporters — among them whether there would be joint action against Pakistan's nuclear weapons plant at Kahuta, an idea Israel tried to sell India on in 1985 (IFA 4/87) — but acknowledged that "possibilities for [defense] cooperation" had been discussed.⁸

The Israeli delegation also discussed cooperation in agriculture, science, trade and technology and agreed to Indian participation in the Middle East peace talks.⁹

When an Indian delegation visited Israel the following week, direct air links were discussed.¹⁰ In between the two visits, the Israel Export Institute and the Confederation of Indian Industry signed a trade promotion agreement.¹¹

1. JTA NCJB 2/7/92. 2. United News Agency of India, quoted by MENN 2/21/92. 3. DPA 2/21/92. 4. *Al-Hamishmar* 2/9/92.* 5. Delhi All India Radio Network 0730 2/27/92*. 6. *Saudi Gazette* MENN 3/12/92. 7. All India Radio 1430 3/25/92*. 8. Delhi ISI Diplomatic Information Service 0856 3/26/92*; UPI 3/24/92. 9. Reuters 3/25/92. 10. JP 4/8/92. 11. Delhi Doordashan Television Network 1600 3/30/92.

Angola ... (from page 1)

(4/2/92). The adviser is one of a number of high officials engaged in such deals, said *SouthScan*.

Under an contract signed last April, Endiama, the state-owned diamond company, agreed to market diamonds through the De Beers diamond cartel. However, according to *SouthScan*, Endiama has marketed almost nothing this year, while illegal deals, such as the one involving Israel, are estimated to have amounted to over \$1 billion worth of uncut diamonds. Many of the smuggled diamonds are ending up at an Israeli-linked diamond company in Antwerp, *SouthScan* reported.

De Beers has appealed to President dos Santos, but he appears powerless to respond, said *SouthScan*, adding that some Endiama officials are themselves involved in the smuggling.

According to *SouthScan*, Israelis are running one of three illegal diamond-buying operations in the capital Luanda. The Israeli operation is based at the five-star Hotel Presidente Meridien, where Israeli bodyguards were seen protecting "the buyer," whom *SouthScan* does not identify by name. *SouthScan* reported that

[c]onversations in Hebrew were monitored at the Hotel Presidente Meridien and revealed the arms for diamonds swap — reported to the US state department in recent weeks by US peace commission representative, Geoffrey Millington.

A UN peace commission is overseeing Angola's transition to multiparty democracy from 16 years of devastating guerrilla warfare between Unita — backed by the CIA, South Africa and Israel (IFA 3/89, 7/90, 8/90) — and the government. Elections are scheduled for September, but Unita is secretly massing an army on Angola's border with Namibia, according to two high-ranking Unita officials who defected last month.²

If it is correct, *SouthScan's* report that Unita is "said to be trading guns for diamonds with Israel" would cast Israel's new diplomatic ties with Angola in a

very cynical light — does it plan to play both sides in a new, devastating round of civil war? The question is particularly relevant now that the Bush administration has soured a bit on Unita, following charges that Savimbi brutally executed a top lieutenant and his family.³ And Unita can hardly expect support from the ANC-led government which is expected to come to power in South Africa.

The announcement of diplomatic relations had been anticipated since the Angolan and Israeli foreign ministers met in Lisbon in January and said they intended to establish formal relations. Official delegations have exchanged visits over the past year. (IF 8/91, 1/92)

Angola was still a Portuguese colony in 1973, when all but three independent African governments broke ties with Israel to protest its occupation of Egypt's African territory. Since 1982, ten of the countries that broke ties have restored them.⁴ Counting Swaziland, Lesotho and Malawi, which never broke ties, Angola becomes Israel's 14th diplomatic partner in sub-Saharan Africa. The two governments plan to exchange ambassadors.⁵

- Shlomo Avital, Israel's ambassador to Zaire, presented his credentials to the government of Congo on April 5. Congo, which renewed diplomatic relations with Israel in July, (IFA 7/91, 1/92) has yet to send an ambassador to Israel, but it recently announced that it would establish an embassy in Jerusalem,⁶ rather than in Tel Aviv, where all but a few governments have located their diplomatic missions because they don't recognize Israel's claim that the city, including the occupied eastern sector, is its capital. When Yasir Arafat visited Congo last month, he denounced its controversial plans to locate in Jerusalem.⁷

1. Reuters 4/16/92. 2. *Guardian* (London) 3/30/92. 3. WP 3/26/92. Unita is mining diamonds from two areas near Lukapa, which it has not yet handed over to the government, *SouthScan* said. 4. Cameroon, Central African Republic, Congo, Cote d'Ivoire, Ethiopia, Kenya, Liberia, Togo, Zaire, Zambia. 5. Reuters 4/16/92. 6. Reuters 4/5/92. 7. Ibid.

Unsolved bombing troubles Israelis, Argentines

As the search for the perpetrators of the bombing of the Israeli embassy in Buenos Aires goes on, Israelis are criticizing their government for starting a terror war with devastating consequences. And Argentines are wondering whether the massive bomb that left 29 dead and injured 250¹ on March 17 was the result of President Carlos Menem's sweeping foreign policy changes.

Six weeks after the huge explosion collapsed Israel's embassy and damaged 80 neighboring buildings, Argentine investigators, assisted by the CIA, Israel's intelligence agency Mossad, and French and Spanish intelligence experts,² still have not determined who did it — or even what it was. Argentine authorities said they had identified a Ford pickup truck as the vehicle in which the bomb was planted.³ But another theory holds that only a bomb inside the building could have brought the four-story structure down so quickly.⁴ A renovation project provided the opportunity for either a car to park near the building or explosives to be brought inside.⁵

The Federal Police said the bomb had been made of pentrite. But a report by Argentine Border Guard experts said the bomb was made of nitrogen tri-iodide.

Immediately after the explosion, President Menem accused neo-Nazis and a right-wing military movement.⁶ Israel's Foreign Minister David Levy promptly accused Iran and Syria⁷ and vowed a "war to the death" on those responsible. "We have an open account [with the perpetrators] and we will settle it," Levy said at the funeral of one of the Israeli embassy workers.⁸

The Lebanon-based Islamic Jihad Organization took responsibility for the bombing, and, after an anonymous denial⁹ raised momentary doubts, the organization has generally been taken at its word that it bombed the embassy to avenge Israel's assassination of Sheikh Abbas Musawi, the leader of the pro-Iranian Hezbollah party in Lebanon.¹⁰ Israeli helicopter gunships blew up Musawi's car on February 16, killing his wife and daughter.

However, authorities theorized that a local group provided Islamic Jihad with intelligence and logistics support. In addition to the suspected neo-Nazi's and rightist officers, Argentine police tried to trace the Argentine paramilitary group which was sent to train the anti-Nicaraguan contras in the early 80s and was trained by the CIA in the use of explosives.¹¹

Who the individual perpetrators were was a different matter. In the week after the bombing, authorities cast a wide net, naming an explosives expert of the German Red

Army Faction.¹² Then, believing them to be Arabs, authorities arrested three Israelis. The Israelis, Orthodox Jews, were tourists who had rented a nearby apartment to be close to the embassy. The Israelis were released the next day.¹³

Four Arab-looking Pakistani tourists, Punjabi grocers, did not fare so well. They were arrested on March 21, were questioned informally (albeit handcuffed) through an Urdu-speaking interpreter — about their religious beliefs, their finances, their family lives, and, in passing, about where they were when the bomb went off (taking a nap, one answered).¹⁴

Then, after five days without legal representation, the Pakistanis were questioned by the Supreme Court. The court quickly absolved them of any participation in the attack, but decided to hold them to see if they had played a "secondary role."¹⁵ At one point the court ordered the Pakistanis released but the police held them. Mossad, it was explained, had detected traces of explosives on their clothes.¹⁶ The men were released soon afterwards.¹⁷ The Pakistani ambassador to Argentina called the situation "incomprehensible."¹⁸

As the investigation ground along, a spokesman for the Supreme Court, which was in charge of the probe, said: "The investigation is going extremely slowly and the personnel from the Israeli embassy are giving hardly any information to us for security reasons. We basically know nothing at this point."¹⁹

Police then said they were looking for 10 suspects -- eight of them Arabs of unknown nationality.²⁰ In April police circulated drawings of a Brazilian and a Pakistani resident of Argentina who, police said, were placed at the scene by witnesses. The Pakistani was a friend of the Pakistani at whose home the four Pakistanis had been arrested in March.²¹

The *Jerusalem Report* (4/9/92) said that Fat'hi Ibrahim Shqaqi was suspected of masterminding the bombing. The magazine identified Shqaqi as a Palestinian deported by Israel in 1988 who heads Islamic Jihad. Islamic Jihad claimed that an Argentine convert to Islam, Abu Yasir, carried out the bombing.²²

Whoever planned the bombing may have had excellent intelligence. A meeting at the embassy was scheduled for three o'clock, 13 minutes after the bomb went off. Expected to attend the meeting were Matitياهو Drobilas, an official connected with settlement building in the occupied territories, Victor Harel, a member of the Israeli negotiating team at

last fall's Madrid peace conference, and Israel's ambassador to Uruguay, Avraham Toledo. Toledo had left the building for the airport 15 minutes before the bombing. Argentine officials said that Harel was the target of the bombers, but offered no explanation or evidence for their claim.²³ Uri Gordon, the head of the quasi-governmental Jewish Agency, was also visiting Buenos Aires at the time.²⁴

The Border Guard report suggested the possibility that security at the embassy was loosened in the days leading up to the attack.²⁵ The police issued a statement saying "the only federal police officer assigned to security there had left the embassy a few minutes earlier with the Israeli ambassador."²⁶ Actually, second officer had been on duty, but he had left at the end of his shift, 15 minutes before the attack, without waiting for his replacement.²⁷ Officials said there was no "dereliction of duty" and there would be no investigation.²⁸

Israelis wondered aloud if the assassination of the Israeli embassy security chief in Turkey on March 9 and the bombing in Argentina signaled a return to the violence of the 1960s and 70s when Israel hunted Palestinians around the world and Palestinians staged dramatic attacks on Israeli targets abroad.²⁹ But even more, they wondered — and wondered publicly — if, as it laid its plans to murder Sheikh Abbas Musawi, their government had considered that it would change the rules of the game, under which Hezbollah limited its attacks to the Israeli occupation forces in southern Lebanon and their proxy Lebanese army.³⁰ "We have no holy places in Lebanon and they have no dreams of returning to Jaffa," wrote Israeli political columnist Nahum Barnea.³¹

"We should have understood the repercussions for us in Israel and for our representatives abroad It was not well thought out, as reality proved, said Moshe Bar-Kochba, an army reserve major and a candidate for parliament from the ruling Likud Party.³²

The son of a couple who survived the Buenos Aires bombing wrote an editorial addressed to Foreign Minister David Levy:

And what exactly is going to happen in your opinion after you satisfy your gentle instincts and bash in the head of some Arab? What other embassy will be turned to dust?

Mr. foreign minister, do us all a favor. Don't take revenge. And next time you come across a Palestinian leader, don't murder him, his wife and his child. Talk to him.³³

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Argentina ... (from page 5)

US officials and "private terrorism experts" told the *Los Angeles Times* (3/20/92) that Israel had made a mistake in escalating its conflict with radical Shi'a groups in Lebanon. Killing Sheikh Musawi was "a real mistake," a former director of the State Department's counterterrorism office told the paper. "You'd think they would have learned by now. They're only inviting this kind of attack."

"The war is open and we will continue our strikes," said Islamic Jihad in a statement delivered to a Beirut newspaper after the Buenos Aires bombing. "The war is open until Israel ceases to exist and until the last Jew in the world is eliminated."³⁴ The Paris magazine *L'Express* reported that all Western intelligence agencies had been warned that attacks might be attempted against Israeli targets.³⁵ Lebanon, the usual target for Israel's outbursts of macho, braced for a retaliatory attack. Fear there ran higher than it had in years when Israeli photo-reconnaissance aircraft were reported near Tyre on March 22.³⁶

In the Knesset, Israel's parliament, leftist member Yossi Sarid told Defense Minister Moshe Arens that the killing of Sheikh Musawi had been a mistake because 30 people in various places had died as a result. Arens replied:

You cannot fight terror by arguing that the cost of operating against it is higher. You flout the norms of decency by placing responsibility for the loss of life after the slaying of Musawi on me and on the prime minister. Why don't you blame those who killed the 30 people.³⁷

In Argentina, legislators connected the bombing to President Menem's 180-degree shift in foreign policy,³⁸ taking Argentina out of the Non-Aligned Movement, identifying his government with President Bush's new world order, sending navy ships to the war against Iraq, and warming a chilly relationship with Israel, where he paid an official visit in October. Menem's Argentina was

a sponsor of the UN measure last year that revoked a 1975 resolution equating Zionism with racism. (IFA 4/91,9/91)

The bombing would not have happened, said Bernardo Neustadt, a popular broadcast commentator "if we had not said 'so long' to the Third World."³⁹

Leopoldo Moreau, an opposition Radical party member of the chamber of deputies wondered "which door of Menem's international policy this criminal attack came through" — the participation in the war against Iraq, the "dismantling of the Condor missile project" or the "unpaid debts" of his election campaign.⁴⁰ The debts are an apparent reference to allegations that Menem received \$4 million in campaign contributions from Libyan leader Muamar Kadafy.⁴¹ Argentina was developing the Condor jointly with Egypt and Iraq, but, under intense US pressure, it canceled the project.⁴²

Menem rejected the criticisms. At a demonstration to repudiate the bombing Menem declared to an estimated 65,000 people: "Ties with Israel will become more fluid. They will be galvanized by this action."⁴³

- Former Argentine President Raul Alfonsin visited Israel this month for the opening of the Israel Democracy Institute,⁴⁴ a think tank whose honorary chairman is former Secretary of State George Shultz.

1. UPI 4/3/92. The numbers of dead and injured vary from report to report. 2. JP 3/23/92. 3. AP 4/4/92. 4. AP JP 4/9/92. 5. Newsweek 3/30/92. 6. AP 3/17/92. 7. UPI 3/17/92. 8. JP 3/22/92. 9. UPI 3/19/92. 10. Baalbek Voice of the Oppressed 0630 3/19/92*. 11. Sunday Times (London) 3/22/92. 12. NYT 3/21/92. 13. AP 3/22/92; JR 4/2/92. 14. UPI 3/27/92. 15. Ibid. 16. Reuters 3/26/92. 17. UPI 4/3/92. 18. UPI 3/25/92. 19. UPI 3/24/92. 20. Clarin (Buenos Aires) cited by UPI 3/29/92. 21. UPI 4/3/92. 22. Baalbek Voice of the Oppressed 0630 3/19/92*. 23. EFE 1531 3/18/92*. 24. JTA WJW 3/19/92. 25. Buenos Aires Herald 4/1/92*. 26. TELAM 1414 3/21/92*. 27. JR 4/2/92. 28. TELAM 1414 3/21/92*. 29. JP 3/19/92. 30. Yediot Aharonot quoted by Guardian (London) 3/25/92. 31. Ibid. 32. Reuters WT 3/24/92. 33. Reuters WT 3/24/92. 34. Guardian (London) 3/24/92. 35. Cited by JTA NCJB 4/3/92. 36. Independent (London) 3/23/92. 37. JP 4/15/92. 38. NYT 3/19/92. 39. LAT 3/31/92. 40. Buenos Aires Herald 3/22/92*. 41. Noticias Argentinas 1852 2/26/92*; Buenos Aires Herald 3/2/92*; Buenos Aires Radio Nacional 1500 2/27/92*. 42. Buenos Aires Herald 3/22/92*. 43. Ibid. 3/20/92*. 44. JP 4/6/92.

Arms exports ... (from page 2)

pre-positioning of US military equipment in Israel to the main business of killing Nicaraguans and Angolans. The assistant secretary of state for politico-military affairs was assigned to co-chair a Joint Political Military Group with the director-general of the Israeli defense ministry. (IFA 3/92 and passim.)

The Inspector General Funk's report does not comment on the dual responsibilities of the assistant secretary for politico-military affairs to monitor Israel's illicit arms shipments and plot US-Israeli operations, some of which would certainly involve illegal arms exports. But Funk rejected Clarke's contention — in a memo appended to the publicly issued report — that "this administration inherited a situation of gross nonfeasance" from the Reagan administration. Clarke also wrote:

[T]here is a history that goes back at least ten years of reports of such violations by that country. Many of them were specious on their face. Many others were investigated by intelligence agencies for years, without any smoking guns ever being shown to us.

...On one occasion (involving marketing of aerial tankers) I forced the government in question to reprimand one of its entities and enter into an agreement with us about future activity — before the [inspector general's office] became involved.

In a reply to Clarke's memo, Funk wrote that, while intelligence reports had never found a "smoking gun," over the ten years in question there have been "at least seven summary [intelligence] reports evaluating the subject's arms trade world-wide." These reports, which were distributed in the State Department through the politico-military affairs bureau, clearly warranted reports to Congress, noted Funk, but none had been made since 1982.

In his April 1 discussion with reporters, Funk said he had not found any evidence that the Reagan administration had authorized the Israeli sales.²⁰ But "senior US officials familiar with Israeli-US cooperation say that [US] intelligence agencies have for many years been...frustrated by a lack of attention from policymakers, who were anxious not to disrupt relations with a key ally, particularly during the Reagan years."²¹

Clarke is "known as one of the few senior State Department figures to be pro-Israel."²² But the fact that he is being protected by Undersecretary Eagleburger and is not being scapegoated by Secretary of State Baker suggests that the department has an institutional interest in obscuring the politico-military affairs bureau's dealings with Israel. Whether the impetus is to conceal history or current events is not clear. The regularly scheduled bi-annual meet-

KEY TO ABBREVIATIONS AND SYMBOLS

AFP = French Press Agency; DPA = German press agency; EFE = Spanish news agency; IPS = Inter Press Service; ITAR = Tass; LAT = Los Angeles Times; LC = La Lettre du Continent (Paris); JDS = Jerusalem Domestic Service (Israeli radio); JP = Jerusalem Post; JR = Jerusalem Report; JTA = Jewish Telegraphic Agency; MEI = Middle East International (London); MENA = Middle East News Agency (Cairo); MENN = Middle East News Network; NCJB = Northern California Jewish Bulletin; NYT = New York Times; PANA = Pan-African News Agency; VOA = Voice of America; WA = West Africa (London); WJW = Washington Jewish Week; WP = Washington Post; WT = Washington Times; * = As reported in FBIS (Federal Broadcast Information Service). Four digits following a source—e.g.—AFP 1850—is the universal coordinated (or Greenwich) time of a story's transmission.

ing of the Joint Political Military Planning Group took place at the Galei Kinneret Hotel in Tiberias, Israel during the week of April 6.²³

In any event, the bureau's office of defense trade controls (DTC) has tightened up on Israel. In his report, Inspector General Funk notes that

DTC has recently taken steps to curtail further unauthorized transfers by the recipient. License applications to export US components for a number of weapons systems have not been approved. DTC has informed the recipient that the licenses will not be approved until questions pertaining to the sale of the systems to other parties are resolved. According to DTC, the recipient has not responded to the questions and, as a result, the licenses have not been approved.

Some of the items reportedly retransferred may have been provided to the recipient under Section 506 of the Foreign Assistance Act of 1960, as amended, with Section 505 assurances which require that the US be paid the net proceeds from the sale of any item furnished under the act. Because the seller has attempted to conceal the reported transfers, it will be difficult to quantify amounts which might be due the United States.

"It is Israel's policy to adhere to the rules of military purchase and technological export," said a statement issued by the Israeli defense ministry after Funk's report was released.²⁴ But the director of the Israeli defense ministry, David Shoval, appeared to acknowledge that Israel was running into problems with its US suppliers, saying "the tendency to enter joint

ventures with large European industries is increasing, in a bid to overcome the bureaucratic obstacles every US administration places on foreign countries."²⁵ Shoval said that the charges of technology re-exporting had "seriously harmed the defense establishment — particularly its image...." He added:

I hope our defense exports will not be affected in the long run.... Our forecasts envisioned \$1.5 billion worth of exports last year, and I hope they will remain at the same level this year.²⁶

Israeli officials and analysts reiterated the claims they made when details of Funk's investigation were leaked to the *Wall Street Journal* last month — that the parentage of some of the weapons in question, such as the Python and Mapats missiles and cluster bombs — was a matter of interpretation.²⁷ But in an interview with the *Washington Jewish Week* last month Funk said his report dealt with the re-export of specific components with serial numbers. (IFA 3/92)

The columnists Evans and Novak reported that the Pentagon now fears that Israel may have passed China radar-evading "stealth" technology from the Popeye missile that Israel and the US are developing jointly. According to Evans and Novak, the Pentagon can't go public about its suspicions because the technology is a "black" program, paid for out of a classified section of the military budget.²⁸

In a second column (written in response to harsh attacks on the first by *New York Times* polemicist A. M. Rosenthal) the authors quoted a March 24 confidential Pentagon memo to James Lilley, assistant secretary of defense for international affairs, from his deputy, Henry Sokolski, saying that a "CIA analysis more than suggests that Popeye does contain US technology..." According to Evans and Novak, the memo also notes that

the United States believes Raphael, the Israeli arms producer, is now trying "without US consent" to "market" the Popeye missile to Singapore, South Korea, Taiwan "and other Third World countries." It disclosed that "the Israelis have also developed the STAR cruise missile" and are believed by the CIA to be "marketing" it in China even though it "incorporates US technology."²⁹

Israel does damage control

Israel brought two practiced responses to bear on the charges that it had illegally transferred US military technology. First, just after the US Patriot inspection team departed, it dispensed some "intelligence" from its spy agency Mossad.

On March 29, a story appeared in the London *Sunday Telegraph* claiming that Pentagon officials had been convinced by "strong evidence" provided by Mossad that Saudi Arabia — not Israel — gave China the Patriot tech-

(continued on page 8)

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Arms exports ... (from page 1)

nology as part of a deal struck in 1988. Israel was initially suspected, the story said, because of its increasingly open military links with China.

Saudi officials pointed out that the Patriots in Saudi Arabia are all under the control of US personnel.³⁰ Defense Secretary Dick Cheney said he didn't believe the Saudis had passed on Patriot technology.³¹

The *Jerusalem Post* is owned by the same company that owns the *Telegraph*. Yet rather than reproduce the *Telegraph's* article — as it normally does with *Telegraph* stories that make international headlines, as this one did — the pro-government *Post* (3/30/92) "speculated" that "a pro-Israel group within the US defense establishment or CIA leak[ed] the Saudi connection in response to previous leaks blaming Israel."

Israel's second damage control exercise was the announcement of a revamp of its arms export regulations, the same drill it carried out when it was embarrassed by reports of massive arms sales to Iran in 1986. (IFA 10/86, 5/89) Two ministries — defense and trade and industry — have set up a joint committee to oversee the new regulations.³² (It is not clear if the new committee replaces the ministerial committee on weapons transfers, a body composed of the prime minister, the foreign minister and the ministers of defense, industry and commerce, which in the past has reportedly approved all arms sales.)

The defense ministry's sales office (SIBAT) has issued a new *Guidebook for Exporters of Military Equipment and Know-how* and has distributed new forms to arms manufacturers and arms dealers. According to the daily paper *Ha'aretz* (4/12/92*) the guidebook indicates that

the defense ministry has ... become stricter in supervising the export of antiterror warfare knowhow, protection and commando training. An Israeli who wants to sell knowhow in these fields abroad must present confirmation from some official body in the country of destination — its defense ministry, army, police or security services — that the training will be carried out with its knowledge and agreement, even if it is meant for private bodies. This restriction was apparently imposed in the wake of the Ya'ir Klein affair [involving the training and arming of the Medellin cartel's paramilitary forces].

The new export forms require a special declaration that a proposed sale is in compliance with the Missile Technology Con-

Eritrea ... (from page 3)

these properties out of Addis Ababa before the Mengistu regime collapsed."⁵

According to the *Indian Ocean Newsletter*, after the Eritrean victory last year, Israeli technicians passed through Asmara on their way to fix desalination equipment installed on the Dahlak islands, a few miles offshore from the Eritrean port of Massawa.⁶

Meanwhile, Ethiopia's information minister has denied as "a baseless rumor" that Israel has military bases in Ethiopia and is helping to construct dams on the Nile river.⁷

1. Asmara Voice of the Broad Masses of Eritrea 0400 2/6/92*. 2. *La Lettre de l'Océan Indien* (LOI - Paris) 2/15/92. 3. Ibid. 4. Ibid. 5. *Al-Sharq al-Awsat* 2/9/92*. 6. *LOI* 2/15/92. 7. *Al-Ahram* 4/12/92 quoted by MENA 0655 4/12/92*.

trol Regime (MTCR), which the Bush administration forced Israel to sign after it determined that Israel was shipping sophisticated missile technology to South Africa. (IFA 9/91; 3/92) Export of a long list of items used in making missiles is now forbidden under the MTCR (except to some European nations, Australia and New Zealand) and exporters have been given a list of dual-use items which require special licenses.³³

Kfirs to Taiwan

Meanwhile, in late March the Bush administration quietly gave Israel permission to sell 20 of its Kfir aircraft to Taiwan, according to US and Israeli officials. Israeli officials say that the sale, along with a proposed sale of 18 Kfirs to the Philippines, (IFA 8/91, 10-11/91) will bring in \$1 billion. The okay — required because the Kfir contains a US-made engine — is seen as an attempt to mollify Israel for the embarrassment of the technology theft charges.

Washington has also signed an agreement giving Israel \$320 million for the next phase of research on its Arrow anti-missile missile, a Star Wars project. (IFA 5/91, 6/91, 9/91)

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Mossad in Philippines?

Israel's ambassador to the Philippines vehemently denied the claim of the insurgent New People's Army (NPA) that Israeli intelligence agents and Australian military advisers were operating in the Cordilleras region of Northern Luzon.

"Israel is not interfering in any way in the internal affairs of any country in the world — and the same goes for the Philippines," Ambassador Yoav Behiri said. The Australian embassy simply said Australia does not provide any counterinsurgency assistance to the Philippines¹

1. *Expat Philippines* (Manila) 3/28/92, citing *Philadelphian Inquirer* 3/20/92.

Israeli officials say they have also obtained China's tacit approval for the sale. China reportedly does not regard the Kfir, which the Israeli air force is retiring, as a threat, and it is said to want to avoid offending Israel, on which it depends for military technology.

A senior Taiwanese procurement official, Gen. Mike Hua, told *Defense News* last week that Taiwan was unlikely to buy the Kfir. Taipei is known to prefer the F-16, but Washington has been refusing to sell it the aircraft because of Chinese disapproval.³⁴ Taiwan is also reportedly trying to purchase Mirage 2000 aircraft from France, a sale which China has strongly cautioned Paris not to make.³⁵

1. The audit, No. 2-CI-016, is dated March 1992. 2. Reuters 4/2/92. 3. Ibid. 4/2/92; WP 4/3/92. It is standard practice for cables to go out over the secretary's signature. 4. AP 4/2/92. 5. WP 4/3/92. 6. AP 4/2/92. 7. UPI 4/3/92. 8. Reuters 4/3/92. 9. AP 4/2/92. 10. WP 4/3/92. 11. NYT 4/3/92. 12. UPI 4/2/92. 13. WT 4/9/92. 14. WT 3/23/92. 15. AP 3/24/92; WP 3/29/92. 16. *Guardian* (London) 3/30/92. 17. WP 3/29/92. 18. UPI 4/2/92. 19. Reuters 3/30/92. 20. WP 4/3/92. 21. WP 4/2/92. 22. *Forward* 3/20/92. 23. JP 4/10/92; JTA NCJB 3/20/92. 24. Reuters 4/2/92. 25. *Hadashot* 4/12/92*. 26. *Hadashot* 4/12/92*. 27. Reuters 4/3/92. 28. WP 3/25/92. 29. WP 4/1/92. 30. LAT 3/30/92. 31. AP 4/8/92. 32. *Ha'aretz* 4/12/92*. 33. Ibid. 34. Reuters 4/13/92; AP 4/17/92. 35. *Les Echos* (Paris) 4/24/92 cited by Reuters 4/24/92.



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