

**“THE FEDERAL REPUBLIC OF GERMANY  
AND THE GULF CRISIS, 1990-1991”**

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CERTIFICATE

This Dissertation entitled "THE FEDERAL REPUBLIC OF GERMANY AND THE GULF CRISIS, 1990-1991" by Mr. RANA RAJESH SINGH for the Degree of Master of Philosophy is an original work and has not been previously submitted for any other Degree of this or any other University.

We recommend this Dissertation to be placed before the examiners for evaluation.

  
(R.K. JAIN)

Supervisor

  
(R.P. KAUSHIK)

Chairman

DEDICATED

TO

MY PARENTS

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J.N.U.,  
New Delhi.

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## PREFACE

United Germany's role during the Gulf crisis has been a matter of considerable controversy since it maintained a very low profile and its role was considered by many as not commensurate with its obligations under the North Atlantic Treaty Organisation (NATO). Germany was accused by using chequebook diplomacy to escape from its commitments, which prompted harsh criticisms from the United States and other NATO allies.

A strongly pacifist tradition, essentially Eurocentric priorities in the wake of unification and domestic opposition to any active German overseas military involvement resulted in a slack German response to the Gulf War. It tried to evade military involvement by burden-sharing of the fiscal costs of the war - contributing DM 17.6 billion to the American-led coalition and provided significant logistical support to the Allied war effort.

Involvement of the German companies in supplying equipment and upgrading Iraq's nuclear, chemical and biological capabilities tarnished the German image

and exposed the so-called stringency of their arms control regulatory mechanisms. Germany, in fact, has been a major arms exporter to the Third World in general and the Middle East in particular. A total of 110 German companies were suspected of having tried to get around the UN embargo against Iraq. Israel was most vociferous in its condemnation of Germany's defence links with Iraq. This was primarily due to the Iraqi Scud attacks against Israel, in whose upgradation German scientists and technicians had played a major role.

Germany's nominal military involvement in the Gulf war as a NATO member country not only annoyed the United States but also put into the limelight the issue of NATO's "out-of-area" operations. Germany called constitutional restrictions to preclude the possibility of deploying German forces beyond the demarcated NATO area. The issue generated considerable debate and controversy in Germany. The ruling coalition advocates a constitutional amendment authorizing the deployment of German armed forces at the specific request of either the United Nations or the Conference on Security and Cooperation in Europe (CSCE). The



Social Democrats, on the other hand, approve of only Bundeswehr participation in the UN peacekeeping operations. Some social groups e.g., the media, have supported the ruling coalition arguing that such an amendment if United Germany is to play any meaningful role in world politics. Since a constitutional amendment requires a two-thirds majority, it is still uncertain whether the amendment will come through. Germany's stakes in the Gulf are essentially economic; it imports 14 per cent of its oil from this region. This is the primary reason why the FRG could not possibly remain insensitive to the developments in the Gulf region.

Chapter one of the present dissertation deals with the Germany's defence collaborations with Iraq and its role in the Gulf crisis. Now it has been revealed that German-Iraqi defence collaborations were both wide-ranging and deep. The chapter also focuses attention on Germany's dilemma in crafting a suitable foreign policy for the Middle East region.

The second chapter is on the relationship between the Federal Republic of Germany and Israel. It analyses different dimensions of FRG-Israel relations,

with the emphasis on economic, science & technology and defence cooperations. It also analyses Germany's difficulty in maintaining a balance between Israel and Arab countries.

The third chapter is about NATO's out-of-area operations. It examines the birth and evolution of NATO's out-of-area problems. The chapter sketches out divergent attitudes of NATO member countries towards NATO's out-of-area operations.

The concluding chapter attempts an evaluation of Germany's role in the Gulf crisis of 1990-1991.

## CHAPTER I.

### GERMANY'S ROLE IN THE GULF CRISIS: GERMAN-IRAQI DEFENCE TECHNOLOGY COLLABORATIONS

On January 31, 1991 Foreign Minister Hans-Dietrich Genscher of Germany addressed the Bundestag on the matter of the Gulf War. Genscher was still shaken from his trip to Israel a week earlier, when Israeli authorities had shown him German components of the Soviet-manufactured Scud missiles that had fallen on Tel Aviv and Haifa. Without the expert assistance of the Germans, he was told, the Scuds would have been unable to reach Israeli soil from Iraq. He had publicly apologized to the Israeli people, and promised to take stern action upon his return to Germany. Now speaking to his own parliament, he was quick to assert Germany's concern:

In view of the terrible threat to Israel, historical and moral responsibility especially attach us Germans to the Jewish people. In this situation which threatens Israel's existence, we stand by Israel's side without any reservation. For thirty years Germany has not authorized arms exports to Iraq. However, Germans who broke our laws and misled the authorities participated in Saddam Hussein's poison-gas production.

All of society must ostracize them.

Genscher's speech was a monument to hypocrisy. For well over a decade, hundred - possibly even thousands - of German businessmen, scientists, and middlemen had played the key role in Iraq's \$50-billion programme to produce weapons of mass destruction.<sup>1</sup> The best estimates of the American government suggest that roughly 70 per cent of Iraq's nuclear, chemical, and biological capacity was provided by Germans. About all this the German government knew in detail. How could it not, since the German, British, American, Spanish, and Dutch media had been reporting the story for years?

German involvement with Iraq's chemical weapons programmes started in 1977, and three years later construction began on a "pesticide plant" at Samarra<sup>2</sup>. As German engineers would later tell reporters, it was clear from the outset that this was no normal project, given the extraordinary security measures, the barbed-

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1. The New York Times (New York), 11 May, 1991.

2. Ibid.

wire fences, and the armed guards that were in place almost as soon as the foundations were laid; in the words of one German engineer, the "pesticide" was to be used on "two-legged insects". Recent German press reports even speak of gas chambers "for large animals" specially built for the Samarra project by German firms. The key technologies for Samarra came from four German companies; Karl Kolb and its subsidiary, Pilot Plant; Water Engineering, Trading (WET) of Hamburg; and Preussag AG.<sup>3</sup>

This was hardly classified information. The New York Times reported extensively about German poison-gas plants in Iraq in 1984 - the year Samarra became operational - as did the German press following the first use of chemical weapons by Iraq against Iran that same year. But Martin Bangemann, the Economics Minister at the time, dismissed all this as "professional jealousy" on the part of the Americans. Bangemann, like each Economics Minister after him, was a member of the Free Democratic Party (FDP) headed by Hans-Dietrich Genscher.

In the early 90's, after some ten years of German involvement, and after a torrent of international and

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3. The Financial Times (London), 19 June, 1991.

domestic criticism, the German government undertook an investigation of Samarra. A Swiss expert, Professor Werner Richarz, was hired to determine if Samarra had indeed been "specially built" for chemical-weapons manufacture. Richarz said unequivocally that it had, and provided the additional information that, thanks to German technology, Iraq was now manufacturing the poison gas tabun and highly concentrated prussic acid as well. (Prussic acid is used to destroy filters in gas masks.)

But even this was not enough to produce action against the four large companies - or the many others involved on a smaller scale.

Iraq's other main chemical-weapons project - at Salman Pak, just 30 kilometres south of Baghdad on the banks of the Tigris - was also headed by a German firm, Thyssen Rheinstahl Technology (TRT).<sup>4</sup> The code name of this operation was the "Diyala Project", and along with chemical weapons, an array of biological weapons such as anthrax, cholera, and typhoid agents was manufactured in substantial quantities in laboratories built by TRT. According to a recent report in the German weekly Stern,

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4. The International Herald Tribune (Paris), 23 May, 1991.

as many as 1,000 tons of such chemicals were produced.

In order to get the contract, TRT had to sign an unusually stringent "Israel clause", certifying that Thyssen had no relations with Israel, did not manufacture anything there, had no representation in Israel, did not permit the use of its name in Israel, and provided neither advice nor know-how to Israeli companies. The report in Stern speculates that the Iraqis were trying desperately to prevent Israel from learning about the project, which was located just six miles from the Osirak nuclear plant that Israeli bombers destroyed in 1981.

In addition to chemical-weapons technology, Germany also took the lead in helping Iraq develop bigger and better missiles. Most notorious has been the huge Sa'ad-16 Project, which for years the Iraqis pretended was a research facility associated with the university at Mosul. Costing more than three-quarters of a billion dollars, Sa'ad-16 included advanced wind tunnels, electronics workshops, manufacturing facilities for missile parts, and assembly plants for the missiles themselves.<sup>5</sup> The general contractor

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5. The Washington Post (Washing, D.C.), 17 July, 1991.

for Sa'ad-16 was, as usual a German company, in this case Gildemeister Projecta Limited. And Gildemeister Projecta's most important subcontractor was Messerschmidt-Boelkow-Blohn (MBB) of Munich, the internationally-known manufacturer of fighter planes, anti-tank missiles, and full-scale ballistic missiles. MBB equipped the laboratories for testing Iraqi missiles. Evidently, MBB managers had some misgivings about this project because they kept it secret from members of their own board; the trade-union representative on the board only learned of MBB's involvement when he read about it in the newspapers. Notwithstanding all the eventual publicity, the German Economics Minister announced in August 1990 that there was probably not enough evidence to indict MBB.<sup>6</sup>

No newcomer to the Iraqi missile business, MBB was also the lead contractor in the international consortium that had financed the Condor project in the early 1980's. The Condor was a short-range missile developed in Argentina and destined for sale to Egypt

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6. The International Herald Tribune (Paris), 13 March, 1991.



and Iraq. In 1985, under public pressure, MBB officially withdrew from the Condor project, but key personnel were simply transferred over to a new (Swiss) company named Consen, where they continued work on Condor II, a longer-range missile that could reach Israel from Iraq with a 500-kilogram warhead. MBB was also involved both in the manufacture of "hot" anti-tank missiles and in the Iraq anti-aircraft system known as "Roland". Finally, MBB shipped civilian helicopters from Germany to Spain where they were fitted with Swiss-made Oerlikon cannons and then sent on to Iraq.<sup>7</sup> To this day MBB denies any knowledge that its civilian helicopters were going to be transformed into attack helicopters, even though it owns 11 per cent of CASA, the Spanish company that did the work.

German companies were also crucial to the construction of the huge manufacturing facility at Taji, Iraq, the largest weapons complex in the Middle East. It was at Taji that Saddam Hussein initiated "Project Babylon", a visionary supergun programme that, if completed, would have given the Iraqis a long-range cannon capable of launching chemical or nuclear artillery shells one metre in diameter into Israeli,

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7. The Financial Times (London), 14 September, 1991.

Jordanian, and possibly even Egyptian cities.<sup>8</sup>

But "Babylon was only the most dramatic project among dozens in full swing at Taji. A giant steel mill was built by the Kloeckner company starting in 1981, under contract to the NASSR Establishment for Mechanical Industries. NASSR is not a normal commercial establishment but a department of Iraq's Ministry of War, and the "steel mill" was a factory for manufacturing cannons. In 1988, the Iraqis turned to another German company. Ferrostaal, to build them a "universal smelting plant" at Taji which the German government subsequently discovered was going to manufacture artillery pieces. And these cases are just the tip of the iceberg; more than 100 German companies were involved in the Taji project alone."<sup>9</sup>

Then there is the matter of the Iraqi nuclear programme. Until the Israelis destroyed the Osirak reactor in 1981, France was the primary supplier of nuclear technology to Iraq. But then the emphasis shifted to Germany. The Germans helped both with raw

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8. Ibid.

9. The New York Times (New York), 24 October, 1988.

materials and with sophisticated hardware: a company appropriately named Nukem sold uranium, and several others helped out with the technology. H&H Metallform supplied the machine tools necessary to manufacture very high-speed ultracentrifuges, which in turn can enrich Uranium-235 sufficiently to transform it into weapons-grade material. Export-Union GmbH is currently under investigation for providing special steel for nuclear technology to Iraq's Technical Corps, a department for highly classified military projects that reported directly to Saddam Hussein. German assistance to the Iraqi nuclear programme continued even after the invasion and annexation of Kuwait in August 1991; and there is evidence suggesting that a full three weeks after the Gulf War began in January, German companies were still actively engaged in shipping nuclear technology to Iraq via Pakistan.

There is no doubt that the German government knew about these activities. On a visit to Baghdad in November 1987, Genscher asked the Iraqi dictator Saddam Hussein to intervene to save the life of a German citizen of Iraqi origin, Kasar Al Khadi, who had been sentenced

to death as a German spy. A plea of clemency had also arrived from German President Richard von Weizacker.<sup>10</sup> For once, Saddam Hussein showed mercy; Al Khadi's sentence was commuted to life imprisonment, and shortly thereafter he was released and returned to Germany. Last summer, Al Khadi was arrested in Germany, facing charges of involvement in the shipping of German technology to the vast Iraqi poison-gas complex in Samarra and elsewhere.

American information about Samarra - William Webster, the Director of Central Intelligence, testified publicly in March 1989 that the plant produced "the blister agent mustard and the nerve agents tabun and sarin", and that "several types of weapons, including bombs and artillery shells and rockets, have been filled with these agents" - had been shared with the German government for many years, in the hope that it would do something to block the technology pipeline to Iraq. The Germans had also been informed by Israel, and, we may safely presume, by the likes of Al Khadi, as well. Even though the BND (the German CIA) has denied extensive press reports that Al Khadi was working for them, it is hard to imagine that the German

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10. The New York Times (New York), 19 November, 1987.

Foreign Minister and the German President would directly and personally intervene on behalf of someone who was not rendering services to the German government. And it would be incredible if he were not extensively questioned and investigated upon his release from death row in Baghdad.<sup>11</sup>

Nor was Al Khadi the only German with possible links to the BND who was up to his neck in illegal trafficking with Baghdad. Last July Peter Leifer, the manager of the Water Engineering Trading (WET) of Hamburg, was arrested on charges of trading with Iraq in poison-gas technology; Leifer was on the BND staff in Iraq for four years, beginning in 1986.

If top officials in the German government knew generally what was going on, they also knew the specifics of at least some cases, even before there were any criminal investigations. As recently as January 1990, the BND informed the Foreign Ministry that an official "risk guarantee" for a million dollars had been issued, covering the various valves, intake jets,

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11. The Washington Post (Washington, D.C.), 21 March, 1989.

pumps, pressure tanks, and testing equipment necessary for the programme to improve the range of Scud missiles. Thus, Genscher's own ministry was formally advised of the German Scud improvement programme about a year before he went to Tel Aviv to apologize for it and act as if he had not known.<sup>12</sup>

Already by early 1989 the American government had approached the Germans roughly 150 times to warn about the transfer of dangerous technology to countries like Iraq, Syria, Iran, and Libya. Nearly half of the warnings concerned Iraq, yet with rare exceptions, these demarches from American diplomats - some of them made directly to Foreign Minister Genscher - were ignored. The Germans acted as if the Americans were simply trying to stop Germany from engaging in international commerce, and scoffed at suggestions that German firms were in violation of international agreements and standards to which Germany had subscribed.

As if Germany's astonishingly weak penalties and vague laws were not bad enough in themselves, neither the judiciary nor the bureaucracy, in the

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12. The New York Times (New York), 12 January, 1990.

form of the professional civil service and the politicians, was inclined to enforce them. A recent court decision offers insight into the general attitude of the judiciary: a Freiburg businessman who had supplied nuclear technology to Pakistan in 1985 was sentenced to eight months on probation because the judges said that state control authorities made it very easy for him to commit the crime.<sup>13</sup>

As for the bureaucracy, anyone tempted to take some initiative to punish illegal exporters would quickly discover that there was no political reward to be gained, and considerable risk. If the likes of Genscher were clearly on the side of wide-open exports, what could a lower-level civil servant, let alone a lower-ranking political figure, hope to achieve? And there is a feature of German law that acted as a further inhibitor: any bureaucrat denying permission to export could be - and often was - sued by the exporter, and if a judge found the denial unwarranted, the penalty would fall directly upon the civil servant. Rare indeed was the government official who would risk saying "no" to a German exporter, especially to such

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13. The Financial Times (London), 13 June, 1991.

a powerful one as MBB.

In any event, even the most vigorous bureaucrat would have been able to exercise discretion only over declared exports; he would have had no way to detect, let alone block, the illegal or falsified exports that have comprised the bulk of the shipments to Iraq. For as a matter of official policy the German government does not conduct pre/shipment inspections or end-user checks, nor does it conduct post-shipment inspections to make sure that the exports have actually gone where they were supposed to, and are being used in the manner promised by the exporter. Without such verification, no law - and the German government is now busily "tightening up" its export laws - can prevent the export of technologies for weapons of mass destruction. What this suggests is that Genscher and his followers - for it is always the Free Democrats who control the Economics Ministry - have been less than serious about stopping the evil they were delivering into the hands of Saddam Hussein. Indeed, the new Economics Minister, Jurgen Mollemann, is a founder of the German-Arab Friendship Association and a personal friend of Qaddafi and Arafat.



The remaining question has to do with motive: why have so many German businessmen, scientists, middlemen, and political leaders engaged so persistently in behaviour which has earned them the opprobrium of the civilized world? And to this may be added a second question: why, for so long, has there been no public outcry from the German people?

The obvious answer to both questions is greed. Saddam Hussein was able to buy a lot of German souls by giving them a cut of his \$50 billion. Like Mephistopheles in Goethe's great false, he was able to make a Faustian pact with Germany.<sup>14</sup> The Germans gave their entrepreneurial energies, their scientific know-how and technology, and their superb engineering and manufacturing skills to the Iraqi devil, knowing full well what they were doing and what the consequences would be.

And the fact of the matter is that Iraq was just one aspect of a far larger pattern. Throughout the past two decades, Germany has been the greatest source of illegal diversions of sensitive technology not just

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14. International Herald Tribune (Paris), 30 November, 1990.

to the Arab Middle-East but to the Soviet Union and its allies and satellites. Despite Germany's verbal commitment to the West, and its ostensible participation in the American-led effort to control high technology, irregularly and flagrantly violated those controls, and constantly pushed to weaken them.

The leader in this relentless drive was - once again - Hans-Dietrich Genscher. He and former Chancellor Willy Brandt convinced the majority of their countrymen that Germany's unique destiny placed it outside the rules of the East-West struggle: by serving as a "bridge" between the two blocs, Germany could "transcend" the division of the world and, not least, of Germany itself. This seductive rationalization sealed the Faustian pact, covering the selling of the German soul with an idealistic vision of a higher good. The Scuds that fell on Israel are the perfect symbols of that moral corruption: weapons of destruction from the Soviet empire, perfected by the Germans.

Is there any hope of a change? The prospects among the German political class are poor, yet an amazing transformation of German public opinion did take place when Scud missiles began hitting Tel Aviv and Haifa. A population that had originally demonstrated

in the hundreds of thousands against the Gulf War, and condemned the United States (1) for the outbreak of hostilities, suddenly rallied to the side of the Jewish state and endorsed the justness of the Allied cause. But whether this change of heart will lead to a reform of German trade practices only time can tell, and only a dreamer would be optimistic.

The curious detachment of the Germans has been one of the most striking features of the four-month old Gulf crisis. Germany was deeply involved by an election (December 1990), by the anxieties of unification, and the mounting responsibilities in the reconstruction of East Germany. In the view of the Germany's absence, and in the involvement of German companies in the upgradation of Scud missiles and building chemical weapon factories in Iraq came to be questioned by international observers. The absence of German soldiers and airmen, for which constitutional explanations have been put forward also need to be understood in this context.

In the post Cold War scenario, Germany was perceived by the U.S. as being self-centered and conspicuously absent from the conflict. Germany put up less money to support the Gulf operation than

the other notable military absentee Japan.<sup>15</sup> As in the past more attention was paid to Japan than Germany due to the result of Japan's large trade surplus with the United States \$ 41 billion in 1990 out of a total US trade deficit of \$101 billion. The countries that have committed themselves in the Gulf have had their own pre-occupations. America had to budget crisis, Britain the earthquake under Margaret Thatcher, France the near-defeat of its prime minister in a vote of no-confidence. This is obvious from the fact that no country in Western Europe can feel detached from the happenings in the Gulf. Europe needs the Gulf's oil much more than the United States does.

The question of what Germany has done in the Gulf, military and otherwise is to be examined in the context of the possible explanations that have been highlighted during the crisis. It was observed that the German Constitution, prevents the deployment of German troops outside Europe.<sup>16</sup> Chancellor

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15. International Herald Tribune (Paris), 30 Nov. 1990.

16. Ibid.

Helmut Kohl, apparently under American pressure, advocated a constitutional amendment permitting Germany to take part in military operations outside Europe at the request of either the United Nations or the Conference on Security and Cooperation in Europe. This claim became doubtful as the Italians, whose post-war Constitution is far more restrictive, managed to send troops to fight against Iraq. Also in calling for an amendment to permit what many good legal scholars believe was not permitted. However, this was doubtful, since a constitutional amendment requires a two-thirds majority and the Social Democrats only approve of 'Bundeswehr' participation in U.N. peace-keeping or 'Blue Helmut' operations.<sup>17</sup>

The political excuse for German non-participation in the war becomes less impressive. Pressure to identify Germany with American foreign policy is the last thing Chancellor Helmut Kohl wants. By his speech on November 18, Chancellor pleased Saddam Hussein when he cautioned President George Bush to seek a peaceful solution in the Gulf. Two days later

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17. R.K. Jain, "United Germany's Role in Gulf War", Times of India, 27 April 1991.

Germany was rewarded by the release of most of the remaining German hostages in Iraq's camp. On the other hand since January his popularity had plunged in the opinion polls during the war year.

Germany agreed to financially support a deficit-plagued U.S. in the Gulf crisis. The Germans, however, resisted any 'equalisation' of burden and refused to accept Japanese pledges for Gulf operations as a precedent in the first quarter of 1991.<sup>18</sup> Earlier the German Finance Minister, Theo Waigel assured the United States that Germany would abide by its financial obligations in the Gulf war effort. Of more than \$11 billion Germany pledged to the allied effort, \$5.5 billion was directed to the United States.<sup>19</sup>

The German contribution in military terms was far below American expectations. On other other hand Germany contributed in response to the allied irritation with its military free-riding and to outrage at the role of its industry in arming Iraq. The laxity of West German arms export control, institutional machinery

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18. Ibid.

19. Michael Lind, "Bonn must do more in this New World", International Herald Tribune, 29 March, 1991.

and legal enactments to curb arms exports stood exposed.

The names of 110 German firms suspected of breaking the embargo was supplied by the American and British Intelligence.<sup>20</sup> Although some companies did send goods could be put to military use or were breaking embargo.

In the wake of the criticisms Jurgen Molleumann, the economics minister called for EC-wide regulations to control such sales.

Germany imposed a total ban on selling weapons to the Gulf in 1982, although it became clear that many companies did find a way round this. It was extended to the entire area after the invasion of Kuwait.<sup>21</sup> The German efforts to either Europeanise or internalise arms export control so far have been thus unsuccessful primarily because of British and French opposition to any centralised export policy.

Mr. Helmut Koul's credibility gap in Germany with the mounting economic pressures after unification was another problem. The Chancellor, who underestimated the costs of re-unification, has been forced to

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20. Ian Murray, "New Bonn Curbs on Exporters of Death", Times (London), 29 January, 1991.

21. Ibid.



raise taxes - taxes that he claimed are in part the result of Germany's war contribution.<sup>22</sup>

In this wake a strong and respected Germany prepared to undertake military action with its allies in NATO and the Western European Union. To his credit Chancellor Koul continues to stress the importance of German participation in NATO. It was Chancellor Konarad Adenauer who brought Germany into NATO against the wishes of many Germans. Helmut Koul recently displayed statesmanship of high order when he seized a passing chance to unite Germany within NATO.

The ignoring Germany's pledge for the allied war support, the presence of its ships in the Gulf and planes in the Turkey became central topic of public criticism of German attitudes over the Gulf war.

Although major political parties like CDU/CSU, CSU, FDP and SPD have done little to support the allies, they have taken an unequivocal stand to the effect that the aggression was illegal and that the measures adopted by the UN are right. The message Britain and

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22. Ibid., no.5.



its political parties was trying to send to all its partners was that Britain is fighting the Gulf not for its own interests but to uphold United Nations resolutions. All the world, especially oil-importing nations, would benefit from the defeat of President Saddam Hussein. Britain reminded them that United Nations resolution 678 "requests all states to provide appropriate support for the actions undertaken" in pursuance of the authorisation to use "all necessary means" to get Iraq out of Kuwait.<sup>23</sup>

For Germany, this was the first cautious, yet meaningful, step in becoming military involved in a regional confrontation outside Europe. For decades, the FRG like other nations, had supplied arms to the Gulf region secretly. The Germans were upset at being singled out and Chancellor Helmut Kohl refused to make a general condemnation of the German arms industry.<sup>24</sup>

Thus Germany is interested in the unhindered flow of oil from the Gulf. With the end of the war, it is anxious to get back to its essentially Eurocentric problems and priorities. Germany is not overly concerned about either the internal boundaries or the post-war order in the Gulf region, where the U.S. as before dominates.

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23. Bryon Michael, "Bonn to help Britain with war costs as Camout seeks EC aid", Times (London), 29 Jan. 1991.

24. Ibid., no.3.

Germany dispatched 18 Alpha fighter jets to join the NATO deployment in Turkey, where defences are being strengthened against a possible attack by Iraq. It was the first deployment of the German armed forces outside its borders since the second world war.

The jets, to be stationed just 250 miles from the Iraqi border, left from the southern base of Oldenburg early yester. They were accompanied by 160 soldiers, who will also be based in Erhac in southern Turkey.

Belgium and Italy also sent aircraft yesterday to reinforce NATO's southeastern flank. Belgium sent 18 Mirage 5 fighter-bombers from a base at Bierset, and six F104 Starfighters took off from Italy.<sup>25</sup>

The former East German people's army along with dozens of West Germany's top companies, helped Iraq develop a hi-tech weapons industry as well as its chemical warfare potential, according to the Berlin based Berghof Institute for Conflict Studies.

The institute's 20 researchers have unearthed reports showing that Iraq bought knowhow from both

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25. Times (London), 7 January, 1991.

sides of the Berlin Wall to develop its nuclear biological and chemical potential. The fact that there is a real chemical threat to Israel today is due to German help." Joachim Badelt, one of the authors of the institute's report, said.

The knowhow applies not only to the chemical warheads but, according to Moshe Arens, the Israeli Defence Minister, to the delivery missiles themselves. He had told reporters in Jerusalem that debris from the Scuds that had hit Israel contained German components. "It was German technology, identical to that used in the construction of the V-2 flying bombs at the end of the last world war," he said.

Lutz Stavenhagen, the Minister in charge of Germany's security services and now also responsible for stamping out illegal arms exports, said this week that there were "black sheep" in German industry, who for years had been finding ways round the law banning weapons sales to the Gulf. After Israel suffered its first casualties from the missiles, he admitted it was German expertise which had enabled Iraq to extend the range of its Russian-built Scuds from 219 miles to 500 miles.<sup>26</sup>

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26. Statesman (New Delhi), 30 January, 1991.

Although all military exports to the Gulf region were officially banned from the start of the Iran-Iraq war, the U.S. arms control agency has reported that between 1984 and 1988 alone, Germany sold \$675 million (\$355 million) worth of weapons to Iraq.

Herr Stavenhagen confirmed that so far nine German companies were being investigated for breaches of the U.N. boycott on exports to Iraq, while 25 other companies had been cleared and 25 more were likely to be cleared in the next week. However, the institute said that no less than 170 West German companies had been identified supplying Iraq, even before the embargo was introduced, with technology that could be converted for military use.

The Simon Wiesenthal Centre in Los Angeles has claimed that there are 86 German firms out of 207 Western companies world-wide which had contributed to Iraq's atomic, biological or chemical warfare capability.

Six managers of three German companies, alleged to have been involved in providing Iraq with the ability to make chemical weapons, have been in prison since last autumn awaiting trial for export offences. It

has since been confirmed that one of them was on the payroll of the Federal Information Agency while working in Iraq, increasing speculation in Berlin that the German government knew what was going on.<sup>27</sup>

The three companies, Karl Kolb, its subsidiary Pilot Plant Engineering from Drieeich near Frankfurt, and Water Engineering Trading of Hamburg, are between them known to have set up a plant at Samarra. The factory was supposed to be for manufacturing pesticides but intelligence reports say it was used for making nerve gas.

According to the Berghof institute, the Iraqi army was taught how to wage chemical warfare by specialists of the former East German army, which built a special training camp for the purpose near Baghdad, based on one of its installations at Storkow. The report said that by 1987 German assistance had equipped Iraq with chemical artillery shells, missiles and rocket launchers as well as cannisters for use from helicopters.<sup>28</sup>

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27. Ibid.

28. Ibid.

Iraq has a fleet of German-built BK-117 helicopters, made by Messerschmitt-Bolkow-Blohm (MBB), which the company insists were supplied solely for transport purposes. Peace activists, who reported the company to police in the autumn, insist that the helicopters were adapted for chemical warfare by Swiss and Austrian companies.

The report by the institute names MBB, along with such household names as Siemens and AEG, as among about 30 companies which have helped Iraq.<sup>29</sup>

Immediately after Saddam Hussein invaded Kuwait last August, the German Foreign Office issued an internal memo to its export control officials. The document ordered an end to a training programme three German firms had been conducting for Iraqi engineers, "in the light of newest evidence of German involvement in the nuclear weapons field in Iraq, and threatening political complications (arising from) such a suspicion."

The training programme was part of a concerted Iraqi effort to overcome lack of skilled personnel. The three firms - one of which was Interatom GmbH, which supplied staff from its advanced reactor depart-

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29. Ibid.

ment - had been training the engineers for nearly a year before the export control office was informed of the full scope of the training programme. The Iraqis were on the staff of a Baghdad organization known as Industrial Project Company (IPC), which the Mossad, Israel's intelligence agency, believes is at the pinnacle of Iraq's entire military procurement effort.

Although Interatom officials told German export authorities that the transfer of nuclear know-how was forbidden, customs agents emphasized that IPC staff expressed a keen desire to get specific and extensive nuclear-related information. IPC is also behind a company called Al Fao General Establishment, in Baghdad. According to U.S. and Israeli intelligence reports, Al Fao has been active in procuring missile technology for Iraq. A U.S. government expert said that Al Fao wanted laboratory equipment from Interatom which could be used as a clean room for manufacturing missile guidance system, or centrifuge components needed to enrich uranium for use in nuclear weapons. A work room, German investigators said, was the first dual-use (civilian-military) export to Iraq which was stopped

after Kuwait was overrun.<sup>30</sup>

Last July, President Saddam Hussein of Iraq said on French television, "We do not have nuclear weapons, but we would see no problem in a Western nation helping us to develop nuclear arms to help compensate for those owned by Israel." But because Iraq's quest still depended heavily on foreign help, as these incidents illustrate, the U.N. boycott imposed after the invasion may have been the most effective way to delay Iraq's quest for the bomb. The embargo stopped several significant technology transfers which might have advanced Saddam Hussein's drive to make nuclear explosive material.

President George Bush told U.S. troops in Saudi Arabia that "those who would measure the timetable for Saddam's atomic programme in years may be seriously underestimating...the gravity of the threat." But that warning and others were based on sketchy information and improbable assumptions. Most evidence supported the view that Iraq remained far from possessing the infrastructure needed to produce nuclear weapons.

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30. Bob Davis, "After Years of Secrecy, Nuclear Arms Plants Show Off Technology", Wall Street Journal, 4 December, 1990, p.A1.



It is true that Iraq had more than one path to possessing nuclear weapons. The first method was to seize the small amount of highly enriched uranium in its possession, which was under international inspection, and fabricate it into a single nuclear weapon. Another was to acquire more fissile material clandestinely from other nations.

The surest route to a nuclear arsenal, however, depends on developing the indigenous capability to produce nuclear explosive material and fabricate it into deliverable nuclear weapons. Iraq appeared committed to do this, even though it signed the Nuclear Non-Proliferation Treaty. According to intelligence collected by Western governments in 1990, Saddam Hussein got serious about acquiring technology and equipment for nuclear weapons in 1987. Two different organizations were involved in the procurement and development tasks for his clandestine nuclear programme: The first, Al Qaqa State Establishment, located in Iskandariya near Baghdad, was thought to be in charge of developing the non-nuclear components for a nuclear weapon, German intelligence documents say. The second, Nasser State Enterprise in Taji, also near Baghdad, was said

to be responsible for Iraq's uranium enrichment effort. Independently of these organizations, IPC agents in Europe actively sought weapon and uranium enrichment technology and equipment as well.

The Quest for a Workable Weapon:

The biggest immediate concern was that Iraq would construct one nuclear explosive out of a small amount of highly enriched uranium which remained in its civilian nuclear programme. This material was committed to peaceful uses and inspected every six months by the International Atomic Energy Agency (IAEA), which last checked in November and found the material intact. But the possibility existed that Iraq would snatch the material between inspections and use it in a bomb. Even now it is impossible to say where this material might be.<sup>31</sup>

A nuclear weapon, even a crude one, has thousands of parts. Los Alamos National Laboratory has produced a secret document detailing what is needed to make a nuclear weapon and where to buy it; the document is 500 pages long. For a country such as Iraq, which has

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31. Stuart Auerbach, "American Sales to Iraq Totalled \$ 1.5 Billion", Washington Post, 1 November, 1990, p.C1.

little electronic, chemical, or metallurgical manufacturing capability, constructing a nuclear weapon is a formidable task.

Iraq might not have enough highly enriched uranium for a "crude" nuclear device, that is, one containing just slightly less fissile material than necessary to achieve critically when the device is assembled.

To make a crude implosion device using weapon-grade uranium (enriched to over 90 per cent uranium 235), one would have to start out with at least 15 kilograms. This assumes that the design would incorporate a thick reflector/tamper and that little fissile material would be lost in processing - although such losses can under many circumstances reach 10-20 per cent. But Iraq has only 12.3 kilograms of 93 per cent enriched uranium, some of which might fuel the Tammuz II research reactor at Tuwaitha Nuclear Research Center near Baghdad. The material was intended for the 40-megawatt Osiraq reactor, destroyed by Israel in 1981 just before it was scheduled to begin operating.

A recent German intelligence assessment concluded that Iraq would need considerable help from abroad to complete a successful nuclear weapons programme.

That assessment pointed out that, up to now, there are no indications of direct foreign assistance to Iraq in the development of nuclear weapons.<sup>32</sup>

#### The Quest for an Arsenal:

Although Iraq may still be able to design and build a bomb, building a sizable arsenal that would present a meaningful threat to its enemies is a challenge of a much higher order, because it depends on acquiring additional nuclear explosive materials.

The embargo was, and may continue to be, the most effective way to prevent Iraq from succeeding in this effort. The actions of German export officials followed by the economic embargo cutting off access to foreign technology, had already hampered Iraq's uranium enrichment programme before war broke out.

#### Iraq's Enrichment Programme:

For several years Iraq had been pursuing the development of gas centrifuges, which use rapidly spinning rotors to separate the more desirable uranium 235 isotope from the more plentiful uranium 238 isotope.

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32. U.S. Customs Service, "News: Customs Uncovers Illegal Scheme to Export Nuclear Devices to Iraq", news release, 29 March, 1990.

Bruno Stemmler, a former centrifuge expert at the German firm MAN Technologien GmbH, met secretly with Iraqi centrifuge design engineers in 1988. Stemmler said in a December 1990 interview that Iraq appeared to be at an early stage in the development of the centrifuge itself.<sup>33</sup>

The evidence makes it clear that Iraq tried, with limited success, to acquire technologies and components for the entire enrichment programme, including the manufacture of centrifuges. More than a year after an undercover investigation failed to substantiate allegations, the German government still believes that German centrifuge design officials who had been involved in Urenco's enrichment effort in Germany tried to recruit other centrifuge experts to work for Iraq. Iraq also was given blueprints for several German centrifuge designs. Stemmler said that Iraqi engineers showed him designs for the G1-type centrifuge, which Germans developed in the 1960s and early 1970s, with a separative capacity of less than two separative work units.<sup>34</sup>

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33. Paul Lewis, "Iraq Says It Made an Atom Trigger", New York Times, 9 May, 1990.

34. Michael Wines, "Hard Data Lacking on Iraqi Nuclear Threat?", New York Times, 30 November, 1990.

Iraq also ordered about 50 metric tons of low-grade maraging steel from the German firm Export-Union GmbH. The material is only marginally usable for centrifuge rotors, but it could be used for missile applications.<sup>35</sup> According to a company official, only a "test shipment" of 3-millimetre steel sheets actually went to Iraq, although the original order included maraging steel rings with a diameter of about 800 millimetres, used in the manufacture of missile casings.

Thus, we can see that Germany was deeply involved in boosting defence prowess of Iraq. A large number of German companies and scientists put in their efforts to sharpen the defence capability of Iraq. This act of Germany exposed the laxity of Germany's so-called 'stringent' arms export control policy.

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35. Leonard S. Spector and Jacqueline R. Smith, Nuclear Ambitions (Boulder, Colo: Westview, 1990), pp.40-41.

## CHAPTER II

### THE RELATIONSHIP BETWEEN FEDERAL REPUBLIC OF GERMANY AND ISRAEL

The bilateral relationship of friendship and co-operation between West Germany and Israel took place due to two main reasons. Firstly, both were new states that did not exist prior to 1948 and needed to establish their legitimacy in the international system. Secondly, both had a degree of dependency upon the other. The new German state needed to persuade the world that it had no link with its predecessor. The greatest need for Israel was of financial means. Israel could ensure the moral acceptability of the new German state while West Germany was the only state that could provide the assistance needed by Israel.

From its origins in 1952 as a reparations and restitution agreement, the relationship between West Germany and Israel diversified into concerning other economic arrangements such as aid, trade and investment. In 1965, Israel received more unilateral aid from Germany than from any other country. From the 1970s, West Germany and Israel have been the only two countries granting significant aid to Israel. West Germany

facilitated the conclusion of a preferential trade agreement between Israel and Europe. Defence ties have also formed part of the relations, consisting of arms transfers from 1965 and exchange of information on weapons technology. Apart from this, collaboration in science and technology have constituted part of the agreement.

Despite this degree of economic assistance, diplomatic relations in public reveal a rather divergent picture of the nature of the ties. West German-Israeli relations have been marked by severe disagreement on the Arab-Israeli-Palestinian problem, as displayed in the heated exchange between Prime Minister Menachem Begin and Chancellor Helmut Schmidt in May 1981.

Nevertheless, the relationship is special because it is based upon mutual recognition and support between states that could have borne enmity towards each other. It also reflects the growing importance of government-to-government relations in the international sphere and the vitality of bilateral relations.

#### Economic Relations:

The relationship between Germany and Israel, including financial relations, is of a special kind.

(Carl Christian Kaiser, Die Zeit, 16 November 1973).



Germany's economic relations with Israel have involved government grants, government loans and encouragement of the private sector through reciprocal exchanges, private investment, promotion of trade through preferences and tariff reduction or through government guarantees of foreign investments.

The Luxembourg Agreement:

According to the Luxembourg Agreement, West Germany agreed to pay Israel 3.45 billion marks in twelve instalments.<sup>1</sup> This came in the form of goods and services whose exact nature was decided by a Mixed Commission of German and Israeli representatives. To administer the agreement, a 'Purchasing Mission' was set up in Cologne by the Israeli government with the Federal Office for Industry and Allied Trades in Frankfurt functioning as the German counterpart. According to the Agreement, Germany also provided a portion of the three billion marks in £ Sterling to enable Israel to import oil from Britain. Out of the total sum received,

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1. State of Israel Ministry of Foreign Affairs, Documents relating to the agreement between the Government of Israel and the Government of the FRG (Jerusalem, Government Printer, 1953), pp.125-57.

Israel was also to transfer 450 million marks to the Conference on Jewish Material Claims against Germany (Claims Conference) with whom the F.R.G. had negotiated at Wassenaar.

Payments to individual Israelis, as opposed to the transfer of goods to the state of Israel were also made according to the Federal Indemnification Law of 1956 and Federal Restitution Law of 1957. This went through four amendments, the fiscal one in September 1969.

The Luxembourg Agreement lasted from 1953-65 but the total payments did not represent more than 2% of Federal budget, hence not a significant burden. Only in 1960, total payment reached 2.36% of Federal outlays while Lander expenditure for compensation to individuals exceeded 0.5% of overall Lander expenditure only twice in 1960 and 1961. (Source: Statistical Yearbook of the Federal Republic). The payments can be regarded as unique since Germany was under no legal obligation to pay reparation to Israel.

At the Wassenaar Conference, Germany had stated that commitments to Israel could be made only after Germany would ascertain commitments to other creditors

at the London Debt Conference. However, for reasons for morality and political expediency, Germany gave preference to Israel. The Agreement with Israel was signed six months before agreement was reached with the creditors in London. Eighteen creditors in London were promised a total of 14.3 billion marks of which Israel alone was to receive 3 billion marks. The London Debt Conference had sought to settle post-war debts to Britain, France and the USA and the creditors were not interested in paying a large proportion to Israel. However, Germany overruled this decision and paid Israel almost three-quarters of its original claim.

Various Arab states opposed ratification of the Luxembourg Agreement but Adenauer defended the commitment to Israel:

"It would be shameful, if we had wavered in our resolve just because of the threat of economic disadvantages. There is something loftier than good business."

Israel continued to receive marked preference compared to the twelve other countries with whom agreements on reparations and compensations had been concluded by 1964. The three billion marks provided to Israel were

to enable the settling of 500,000 immigrants - and far fewer recipients were allowed in other countries. Further, Germany also allowed modifications in its agreement in a way favourable to Israel. For example, a 'speed-up agreement' permitted was a 1958 loan of 450 million marks by the Deutsche Bank to Israel. As collateral, the Bank was promised payment from future instalments of the Agreement - a 'risk-prone' enterprise.

By the end of 1978, Israelis received 40% of total payments made in accordance with Federal Indemnification and Federal Restitution laws and other compensation agreements amounting to 22 billion marks. However, a problem was detected in the Federal Indemnification Law. The territorial and time constraints of the law meant that those Jews who had not been forced out of Europe by 1953 were not eligible for compensation. However, the deadline passed for a large number of the time formalities for emigration occurred. West Germany remedied the situation by setting up a 'special fund' of 1.2 billion marks to compensate such cases.

The question then came up over how to compensate 'post-1965' cases. After protracted negotiations, all parliamentary parties approved a resolution on 14 December 1979, calling for a total sum of 440

million marks to be paid over three years beginning in 1980. This was to be through the Central Council in Germany for German residents and through the claims conference for residents abroad. In October 1980, the Federal government settled the sum for 400 million marks.

Such foreign aid ensured the economic survival of Israel. Total payments received by Israel from 1953-65, the duration of the Luxembourg Agreement, reveal that 47.2% of the total of \$3.6 billion was for West Germany, amounting to \$1.72 billion. Only in 1953 did the USA provide more money than Germany. An analysis of the impact of compensation upon the Israeli economy was made in a report for the Bank of Israel in 1965 by Fanay Ginor and J. Fishler. Ginor claims that in that reparations, economic growth in Israel would have been markedly slower and "in the absence of reparations, all other things remaining equal, the total GNP in 1966 would have been some 12% less than it was."

It was the faithful execution of the Luxembourg Agreement that enabled Germany to show its face to the world and win international approval. There is also

another point of view that Germany was not acting simply out of its own interests but was following directions of the USA (Coburger, 1964; Asad, 1966). This argument would imply that the FRG passed on to Israel payments it had received from the USA but there is no evidence that Marshall Plan money was used for this. In fact, the US hesitated in encouraging German-Israeli negotiations until it was convinced of the sincerity of German motives. Hence, moral motives as well as a degree of stimulus received into the Germany economy, encouraged Germany to expand the Luxembourg Agreement into other special economic relations.

#### Development Aid:

Development aid commenced in the 1950s through measures such as technical training, export credits and multilateral finance, along with private initiatives. A comprehensive programme, however, only began in the 1960s, with the creation of the Federal Ministry for Economic Co-operation in 1961 and a special allocation for Development Aid in the Federal Budget. Israel was one of the first countries to be the recipient of development aid through an agreement that was concluded in March 1960.

From 1960-65, this remained as an informal agreement between Adenauer and Ben-Gurion that was not without controversy, while from 1965 it became the basis of a formal economic agreement.

There is no definite or written agreement over the origins of this development aid package. At a meeting between Adenauer and Ben-Gurion in New York in March 1960, the need for the economic development of the Negev desert in Israel was discussed.<sup>2</sup> Ben-Gurion proposed an FRG loan of 2 billion marks over ten year period and felt that Adenauer had agreed to the proposal though Adenauer later stated that he had not committed himself. The absence of a written agreement led to difficulty in implementation and only after letters of clarification between the two heads, did the first payment get endorsed in December 1961. By June 1965, Israel received 560 million marks.

The character of this aid was special since it was extended to no other country except Israel. Secrecy wraps the agreement which is why it could not be put before the Bundestag for official sanction. Neither did the annual reports of the Credit Bank for Recons-

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2. New York Times, 13 February 1965.

truction which executed the loan, carry any mention of the sums involved.<sup>3</sup> Israel received only capital, not technical aid, in terms that were favourable to it. On industrial projects it was charged an interest of only 5% and for infrastructure projects, only 3%.

The repayment period for industrial projects was twelve years, but for infrastructure projects, excellent terms of twenty years were granted.<sup>4</sup>

This 1960 'agreement' was replaced by a formal, written agreement in May 1966 in Bonn to "promote... economic relations by means of continuous cooperation."

In 1966, Germany committed 160 million marks in development aid for specific projects. The press communique stated;<sup>5</sup>

"The agreement concluded today can be regarded as an essential element of Germany policy in the sphere of economic cooperation, through which the Federal Republic of Germany supports other countries in the build-up of their economies."

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3. John White, German Aid: A Survey of the Sources, Policy and Structure of German Aid (London: Overseas Development Institute, 1965).

4. Neue Zwischer Zeitung, May 1966.

5. Le Monde, 14 May 1966.



This agreement was important since diplomatic relations between the Federal Republic and Israel were formally established, and agreements no longer had to be clandestine as was previously the case. The development aid was structured in such a way that until 1976, only 20 million of the annual 140 million marks were tied to specific projects. Since 1976, 40 million marks have been earmarked for specific projects in advance, with Israel enjoying flexibility over 100 million marks.<sup>6</sup> Hence, unlike other countries, Israel enjoys full autonomy in deciding which projects should be funded.

Germany began to distinguish degrees of development aid by 1976 whereby the more developed countries received aid on less favourable terms than the least developed.<sup>7</sup> Even this did not negatively affect Israel, as the Germany government lightened Israel's burden while changing its loan status. In December 1977, despite opposition from some cabinet members, Germany agreed to a two-year moratorium on repayment. Despite Israel's industrial development, the German government

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6. Die Zeit, 16 November 1973.

7. Kenneth M. Lewan, "How West Germany helped to build Israel", Journal of Palestine Studies, vol.4, no.4, 1975, p.63.

still applied 'special conditions' to its status.

The continuation of the aid was perhaps a response to the fact that Germany could not conclude the diplomatic relation Israel wanted in 1960. Compensation was therefore given through development aid. American and world opinion, political expediency and morality continued to motivate Germany.

Trade and Investment:

Trade relations between Germany and Israel developed to a certain extent due to the Luxembourg Reparations Agreement. German goods and machinery were introduced into Israel for building up infrastructure. By the time the Reparations Agreement expired in 1965, it appeared natural for Israel to extend its commercial relation with the Germans.

Since 1960, the Federal Republic has been one of Israel's three most important trading partners. Germany has also helped in a supportive and preferential way in building up Israel's trade relations with the European Economic Community. The first agreement between Israel and the EEC in 1964 was the result of efforts made by Holland, Israel's other main advocate. However, the

commercial agreement covered only 10% of its total exports to the Community and, in 1966, Israel sought association status. This was taken up by Germany and a Preferential Trade Agreement was finally concluded with Israel in June 1970, and a Free Trade Agreement in 1975.<sup>8</sup> Israeli Foreign Minister, Yigal Allen, praised F.R.G. foreign minister Gouscher for facilitating a conclusion, and hailed the accord. This provides for a complete free trade in industrial goods by 1985 at latest by 1989, and significant tariff reductions for Israel's agricultural exports. Additional protocols were signed with the Community in February 1977, providing for development loans to Israel from the European Investment Bank, for technical and industrial cooperation.

There are points of differences in the Agreement. For instance, Israel's objective in reducing trade imbalance in its relations with the Community has not been reached. However, considerable economic benefit has accrued to Israel and the Agreements have been important to the country.

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8. Commission of the European Communities, "Israel and the EEC", Information: Cooperations and Development, 145/77E, 1977.

German investment in Israel has been substantial. From 1967-78, German investments in Israel were 12.6% of the total but Israeli investment in Germany has been small, amounting to only 0.02% of all foreign investment in the FRG by the end of 1978. In June 1976, Germany and Israel signed a Treaty on the Encouragement and Reciprocal Protection of Investments.

Hence, Germany has treated Israel as a special friend in economic relations. At the same time, it has developed a sturdy and reliable partner in the Middle East.

#### MILITARY AFFAIRS:

The military relationship in the period 1957-65 was no extraordinary that it alone has been called a special relationship. It was this military relationship that led to a major crisis in the foreign military aid policy for West Germany and led to disruption in diplomatic ties with ten Arab States.

The military relationship shall be measured in terms of comparison with other countries.

#### Military Aid from 1957-65:

During the period 1957-65, Germany showed Israel preference in military aid in at least five ways. Firstly,

its military aid policy has been restrictive, lest it damages the country's reputation.<sup>9</sup> This makes the fact that aid was granted to Israel as being highly unusual.

Secondly, Israel was the only country in the Middle East to receive such substantial aid from Germany, and was the only non-African major recipient of foreign aid. Thirdly, diplomatic relations between West Germany and Israel did not yet exist. Despite the absence of formal relations, military aid almost paralleled development aid in its extent.

Fourthly, the military agreements with Israel were quantitatively different. Israel received at least 30% of all German military aid to non-NATO countries and more than 70% of all aid to major non-NATO recipients. Most countries received only software, whereas Israel was one of the few countries to receive hardware. Israel was the only country to receive submarines, helicopters, anti-tank and anti-aircraft equipment.<sup>10</sup>

Fifthly, the agreement with Israel, far exceeded the cost of any other West German military agreement in the period 1958-65. In comparison with military agree-

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10. Ibid., pp.310-12, 844-5.

ments made with other countries, most money (with the exception of Turkey) was spent on Israel.

Shimon Peres, former Defence minister, lists four possible suppliers of arms in the mid-1950s.<sup>11</sup> Sweden, the USA and Britain had to be excluded for various reasons. France became an important supplier from 1956-67, until its Middle-East policy reversed in favour of the Arabs after the 90-day war. But the arrangements with France served as a model when it sought a military relationship with the Federal Republic. France supplied Israel with military equipment worth \$600-\$1122 million between 1955-67. From Germany, Israel received \$37.5 million - £266 million between 1958-65. Whereas the quantities purchased from France were greater, from Germany the weapons were almost a gift. France's relationship was preferential to Israel but other aspects of the special relationship were missing in non-military policy areas and adequate support mechanisms. Hence, when the military ties broke in 1967, so did other aspects of Israeli-French relations. In contrast, when German supplies stopped, other arrangements were made.

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11. Shimon Peres, David's Shing: The Arming of Israel (London: Weidenfeld and Nicolson, 1970), pp.37-8, 41-3.

In fact, when the German-Israeli relationship is about to be broken, Peres still refers to it as special:

"After the Arab diplomatic break with Germany, the Germans informed us that the time had come to discontinue all special relationship in the field of defence."<sup>12</sup>

Peres was the arms negotiation while Shinnor was the administrator. From the German side, agreements were initiated by Franz-Josef Strauss and then pursued by Walter Knieper. An overall analysis of the negotiations involved reveals that the justification, form, contact and execution were exceptional.

As per the Yitzhak Yisrael reports, with the establishment of diplomatic relations in 1965, Israel no longer received arms supplies as it had under Adenauer. Many observers share Yisrael's view that the military relationship indeed had come to an end in 1965. But another report by Angelika Bator, from Germany's new left, speaks of the continued military relationship even after 1965, characterizing it as part of a general

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12. Ibid., p.79.

relationship between two imperialist powers, Israel and the Federal Republic. In 1969, she says Israel received from the Federal Republic a large number of Noratlas planes for which Israeli pilots were being trained in the Federal Republic.

In its 1968-9 and 1975 Yearbooks the Stockholm International Peace Research Institute (SIPRI) also alludes to arms deliveries to Israel involving the Federal Republic; in 1968 France supplied twenty-five Fouga Magister trainers which were ex-Bundeswehr stock; in 1974 Germany supplied fifteen Dornier light transport planes, Arab sources also have commented on relations, suggesting that the Federal Republic increased its arms supplies to Israel after March 1966.

Guidelines set in 1965, with the end of arms shipments to Israel, were essentially reconfirmed in a 1971 cabinet decision that forbade Germany from sending arms to 'areas of tension', including the Middle East. Enforcement of legislation restricting the export of defence-related goods, and of companion legislation limiting the export of weapons of war depended on governmental control and coordination mechanisms whose "extent of effectiveness", according to a high-ranking official



involved in German-Israeli relations. In the late 1970s, due to Germany's restrictions, purchases appeared limited to software or borderline military goods that were permitted under other guidelines. But even after that, Israel had established special relations with Germany in relation to military as well as non-military affairs which remained very much confidential. As recently as in 1981, spokesmen for the Israeli defense industry called Germany their best partner after the United States. Over the years, the intensity and diversity of the special military relationship of the late 1950s and early 1960s have waned, but a special relationship involving preference and based on both morality and pragmatism appears still to exist.

#### Deals in Science and Technology:

Science and Technology was considered as the one of the features of the strongest bilateral relations between the Federal Republic of Germany (FRG) and Israel. Relations began essentially in 1959, first with a March 6 meeting between Dr. Josef Cohn (former Personal Secretary to Chaim Weizmann and since the 1950s the Weizmann Institute's 'ambassador') and Konrad Adenauer and then with the December visit to the Weizmann Institute of the

German Scientists Otto Hahn, Wolfgang Gentner and Feodor Lynen.<sup>13</sup> These contracts were followed immediately by a German government grant of 3 million marks to the Weizmann Institute, formalized by Adenauer in his March 1960 meeting with David Ben-Gurion; four years later a contract was signed between the Weizmann Institute and the Minerva Foundation (a subsidiary of the Max Planck Society).<sup>14</sup>

During the period 1963-72, Minerva disbursed more than 37 million marks for basic research at the Weizmann Institute and sponsored through 1977, 70 million marks of cooperative German-Israeli Scientific work. Although Minerva was a German organization, the research it funded was chosen by a joint committee of some thirty Germans and Israelis. Besides Minerva, the Federal Ministry for Research and Technology had paid for the construction of new facilities, the purchase of equipment and for educational development.

Minerva's student exchanges were organized and financed until 1973 by the Volkswagen Foundation, one

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13. Manbred Popp, "Gute Zusammenarbeit in der naturwissenschaftlichen Forschung", Das Parlament, vol.22, no.45 (Nov. 4), p.11.

14. Ibid.

of the private German organizations funding scientific research in Israel. After 1973, the Ministry for Research and Technology assumed the financial responsibility for the stipend programme, the Volkswagen Foundation meanwhile continued its own scholarship and research programmes in Israel. The net exchange during the first ten years favoured German scientists visiting Israel, but since then more Israelis have gone to research institutes in the Federal Republic. German-Israeli co-operation no longer was concentrated exclusively at the Weizmann Institute. A May 1970 agreement between Israel's National Council for Research and Development (NCRD) and the German Research Foundation provided for annual joint conferences in Germany or Israel and for research in Israel to be conducted by some fifteen senior German scientists, largely chosen by Israelis. Unlike the basic research at the Weizmann Institute, these projects included desalination and water purification, new forms of energy, medical technology, information and documentation systems, computer science and applied career research. Research areas of common interest were coordinated by a German-Israeli Committee for Scientific and Technological

Co-operation comprised of official representatives of the respective government agencies. These relations with Israel had been recognized by both German officials and scientists as special. Bundestag President Karl Carstens in 1978 called the ties between German and Israeli scientists a model of understanding in Europe, adding that the Bundestag always held a special interest in relations between the Weizmann Institute and German research institutes. In March 1980, the Minister for Research and Technology Volker Hauff renewed the partnership during a visit to Israel with substantial donations to the Weizmann Institute for equipment and an Einstein Centre for theoretical mathematics.<sup>15</sup>

One of the key elements in Israel's potential for self-reliance was an extraordinary in science and technology. But the advancement of science and technology was expensive and Israel wanted money. Economic necessity had driven Israel's scientific and technological relationship with the Federal Republic as it had driven other features of the special relationship. From the beginning

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15. Lily Gardner Feldman, The Special Relationship between West Germany and Israel (London: George Allen & Unwin, 1984), p.144.

Israel saw practical and mutual advantages, a point stressed today by the NCRD. Of course, there were scientific and academic advantages for the Federal Republic from the results of Israeli research, most keenly felt with the new expanded relations which, according to one German official would have occurred irrespective of Germany's past because of extra-ordinary capability Israel had to offer. The "great momentum" of relations described by the NCRD in 1977 continued into the 1980s. The ties in science and technology had formed a crucial element in the history of German-Israeli relations in general.

#### The Maintenance of the Special Relationship:

In 1974, during a visit to Israel the then Secretary-General of the FDP, Dr. Martin Bangemann, insisted the term 'special relationship' was an empty formula. He said that he rejected relations based on the past and moral obligations. In his position as a member of the European Parliament and as President of the Parliament's Liberal and Democratic Group, Bangemann continued to argue for an intensification of relations with the Arab world and the Palestinians and to criticize Israel.

He was also joined in criticism of Israel and support of Palestinian self-determination and statehood by his FDP Party colleague Jurgen Mollemann, who met with Yassir Arafat in August 1979. Mollemann proposed to Arafat an eight-point peace plan that included mutual recognition by Israel and the PLO. In contrast to these leaders of Germany's important political parties, a host of prominent individuals, inside and outside politics, had expressed publicly, through statements and actions, their friendship for Israel. They included Konrad Adenauer, Theodor Heuss, Franz Bohm, Carlo Schmid and Willy Brandt, all singled out by David Ben-Gurion for their friendship. All these individuals, important shapers of German public opinion, openly and repeatedly had voiced personal and psychological commitments to the Jewish state.<sup>16</sup>

In addition to the few powerful politicians well-placed institutionally to weaken the special relationship, there were non-institutional forces of anti-semitism and anti-Zionism that existed politically on both the extreme right and the extreme left. The

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16. Ibid., p.216.

anti-semitism anti-Zionism of the extreme left, the New Left and Extra Parliamentary opposition began to appear in the late 1960s in the statements and activities of groups such as the Baader-Meinhof terrorist organization.<sup>17</sup> The 'Black Rats', part of the Extra Parliamentary opposition and members of the Republic Club, appeared to have been responsible in 1969 for the attempt to blow up the Jewish community centre in Berlin in an open display of antisemitism and anti-Zionism was apparent in the Black Rats' propaganda leaflets praising the Fedayeen and Proclaiming solidarity with guerilla efforts against the 'fascist' state of Israel. There was also a right-wing anti-semitism and anti-Zionism which had been embodied in the newspaper Deutsche National und Soldatin-Zeitung.<sup>18</sup> According to the Federal Ministry of the Interior, the appeal of the right continued through the 1970s. In addition to the concrete anti-semitism of the right and the left, there was much controversy in the mid-1970s over latent anti-semitism among a large section of the German public.

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17. Ibid.

18. Feldman, n.15, p.217.

Apart from this anti-semitism and anti-Zionism approach in different parties, Germans had preferred Israel to the Arabs, and most had been more sympathetic than neutral. Asked specifically about oil after the 1973 war, only 16 per cent of German respondents thought Israel should not be supported, 57 per cent thought Western Europe should stand firm against the Arabs even if they cut off oil.

Israel's greatest support had come from those born after the Second World War, contradicting the popular argument that a new generation free of association with the Third Reich would reduce public support for Israel.<sup>19</sup> As officially Germany tapered support for Israel during the decade after 1967, Israel won 25-69 per cent more adherents among Germans urging the closest possible cooperation between the two countries. Public demonstrations - an open display of psychological and emotional commitment had given even greater testimony. Germans had been motivated to testify publicly by a feeling of special moral obligation due to the past. When the German government refused to recognize Israel diplomatically, many prominent Germans publicly supported Israel's aspirations.

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19. Federal Minister for Youth, Family and Health Correspondence, Bonn, 1980.



The Table-1 shows the responses of Germans to question of whose side they would take in Middle East war.

Table-1

Responses of Germans to question of whose side they would take in Middle East War

%	Attitude to question				Age Cohorts Pro-Israel			
	Pro-Israel	Pro-Arab	Neutral	No Opinion	16-29	30-49	45-59	60-
March 1965	10	-	75	15	14	9	8	10
May 1965	24	15	44	17	-	-	-	-
June 1967	55	6	27	12	-	-	-	-
July-August 1967	59	6	27	8	-	-	-	-
December 1968	16	4	63	17	-	-	-	-
May 1970	45	7	32	16	-	-	-	-
April 1971	43	8	29	20	-	-	-	-
April 1973	37	5	37	21	43	39	37	29
Mid-October 1973	57	8	25	12	61	63	54	49
December 1973-Jan.1974	23	5	59	13	34	23	21	21
December 1974	50	7	29	14	-	-	-	-

Sources: Institut fur Demoskopie, 1963, 1967, 1973, 1974, 1976; Infas, 1974; Neumann and Noelle Neumann, 1967.

When public government support waned, popular support continued. During 1973 war Ambassador Ben Horin reported that the 'Israeli embassy in Bonn had received letters, telegrams and other demonstrations of solidarity from countless Germans of all ages, including many children' as shown in the table-1. After the UN Palestinian debate in 1974, the divergence between public and official views became particularly clear, with groups denouncing both the United Nations debate and the German abstention.

Many Personal Friendships had developed between Germans and Israelis. Many personal friendships were the product of institutional arrangements and institutional arrangements often then endure because of personal friendships. Meetings between German and Israeli politicians had been frequent in 1952 and the most frequent and close ties had been between the S D and Mapai (Israel Labour Party). In times of crisis transnational party solidarity had played an important role in German-Israeli relations. Until 1966 the SpD, in opposition, exerted public and parliamentary pressure supporting Israel over both the scientists. Party contacts had been used also to iron out

difficulties and misunderstandings between the governments, for example, over Ostpolitik in 1971 and over the 1972 release of the Munich terrorists. As a result of the strain in relations after the 1972 incident, the SPD and the Labour Party installed a 'hotline' for instant access to one another in times of crisis.

Trade and Cultural relations by people:

Friendship forged from political activity was complemented in the special relationship by friendship from economic activities. In 1967 the Israel-German Chamber of Commerce and the German Society for Economic Relations with Israel were set up with the aim of furthering trade relations between two countries. The two organizations worked closely together. The society performed a public relations role and growing German support for the society and for trade with Israel had been visible in the establishment of branch offices in Berlin and in Dusseldorf and in the successful operation of three committees of experts (metals, textiles and fashions and foodstuffs). The Israel-German Chamber of Commerce had over 250 members and was one of the largest trade chambers in Israel. The German society had lobbied successfully for Israel's interests in

Germany respecting trade and investment and close contacts with the EEC.

The German banks had developed contacts with the banks of Israel. It funded the common projects in Israel, including the creation of the Israel Continental Bank. The German bank also had invested with other banks in Israeli economic projects and on its own, was an important investor in the Israeli economy. In addition to the more recent trade union-related contacts through the Bank fur Gemeinwirtschaft (in Germany) and the Bank Hapoalim (in Israel), there had been since 1950 relations between the German and Israeli umbrella union organizations, the DGB and the Histadrut. Annual exchanges of visits involving groups and individuals had taken place between various sections of the union organizations (executive, youth, adult and women) and between individual unions; in 1974 and 1975 partnership treaties were signed to expand formally the contacts between the union members in the two countries.<sup>20</sup>

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20. Feldman, n.15, p.220.

In order to strengthen cultural relations, during 1956-7 students organized German-Israeli study groups at eleven universities in the Federal Republic. For many years, the study group at the Free university in Berlin published a news magazine, *Diskussion*, which focussed on questions of mutual importance to Germany and Israel. Since the end of 1973 there had been a general channel for scientific cooperation in the form of the German-Israeli Committee for Scientific and Technological Cooperation.

The sign of Atonement Movement was founded in 1958 by the evangelical church to encourage young Germans, regardless of religious affiliation, to work as volunteers in countries that had suffered under Nazism. Volunteers first arrived in Israel in 1960 to work on Kibbutzim and gradually turned more to social work. The societies for Christian-Jewish Cooperation were first created in 1947 in Hamburg, Weisbaden and Munich, modelled after the American world Brotherhood. By the early 1980s there were some fifty societies in the Federal Republic with approximately 6,000 members. The importance of the German societies was symbolized in April 1979 by the establishment at the Martin Buber House in Heppenheim of

the headquarters of the International Council of Christians and Jews. The most general of all the societies involved in German-Jewish and German-Israeli relations is the German-Israeli society. The society was founded in 1966 after the establishment of diplomatic relation in order to bring together people interested in the promotion of German-Israeli relations and it emphasized political, cultural and social links.<sup>21</sup>

If Germans had had guilt to assuage through emotional and symbolic organizations and activities, Israelis had been the wounded, not the healers. German activity discouraged public Israeli attacks on Germany, but it was all the more remarkable that by the 1980s Israelis, too, had become more engaged in the active promotion of German-Israeli friendship. The popular feelings and friendships expressed by Germans were confined more in Israel to elites, but the network of contact and association had resulted from initiatives on both sides.

This special relationship was created out of historical experience and conditioning and out of mutual needs. Time had changed these needs. The need

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21. Ibid., p.235.

for a special military relationship, for example, faded in 1965. Germany's need for special diplomatic treatment faded in 1970s. The relationship could not live on guilt alone and although moral concerns and historical conscience remained vital, other mutual needs and new reinforcements had developed.

The special relationship was above all based on public policy. It was only possible, however, when peoples sustained it through personal commitments. Germany and Israel had developed networks of friendship and communication. Mutual resentments gradually had been replaced by mutual admiration.

### CHAPTER III

#### NATO'S OUT-OF-AREA PROBLEM

The out-of-area issue presents members of the North Atlantic Treaty Organization with the difficulty of balancing their collective interest in North Atlantic Security with their previously shared and perceived commitments in other parts of the world. The contest between the demands of NATO and extra-European Security needs has been a perennial breeding-ground for intra-alliance disputes. This competition is known to have complicated the Washington negotiations which led to the signature of the North Atlantic Treaty in 1949. Subsequently, the out-of-area issue arose mainly in the context of the rear-guard struggles of particular European NATO allies to preserve their fading colonial empires. Certainly, in the eyes of American policy makers out-of-area challenges remain an unresolved issue within NATO. The global connotations of the term 'Western Alliance' are not well supported by the nature of commitments which have bound North America and Europe since 1949. Although, the treaty contains language about the promotion of 'stability and well-being' and the encouragement of economic collaboration (Article II), in fact the alliance was designed for the over-riding purpose of maintaining security.



While the vagueness of these non-military goals reassured some of the signatories, especially the United States, they disappointed others.<sup>1</sup> Although the security guarantee established in Article V of the Treaty is of a multilateral and mutual nature, this was done in deference to the wounded pride of its European signatories. The real guarantee was a unilateral American pledge to secure Western Europe against Soviet aggression. Studies of the preliminary talks in Washington which led to the signature of the North Atlantic Treaty reveal substantial differences of opinion between the participants as to the functional and geographical scope of the kind of alliance which they had in mind.<sup>2</sup> Albeit muted in form, these differences found their way into the Treaty.

If the Alliance was to be conceived regionally, the precise delimitation of its geographical scope did not appear to be self-evident. Fear of Anglo-Saxon dominance in NATO prompted France's insistence on inclusion of Italy into NATO in 1949. The original Atlantic identity of the Alliance was further diluted by the admission

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1. Theodore Draper, "The Western Misalliance", The Washington Quarterly, Vol.4, no.1, Winter 1981, pp.16-7.
  2. Douglas Stuart, "NATO Out-of-Area Disputes: From the Washington Talks to the RDF", Atlantic Quarterly, vol.2, no.1, Spring 1984, pp.50-3.

of Greece and Turkey in October 1951. Greece and Turkey had been the first two countries to benefit from the 1947 Truman Doctrine. Western intervention in Greece and Turkey did not dampen British hopes of its role in Eastern Mediterranean, with the US cash and British strategy.<sup>3</sup> The geographical limits of the Alliance were also brought into sharp focus by NATO's maritime contingency planning for the Southern Hemisphere.<sup>4</sup> A case in point is Portuguese Africa. Although Portuguese Africa seems to have been included at one time in NATO's contingency plans, Portugal's wish to secure a NATO role for its naval bases in Africa was never translated into policy.<sup>5</sup> A similar episode was NATO's alleged naval cooperation with South Africa. In 1972 NATO's Defence Planning Committee (DPC) authorized the Supreme Allied Commander Atlantic (SACLANT) to investigate the growing threat which the Soviet Navy was perceived to pose to Allied Shipping using the Cape route.<sup>6</sup> Speculations that contacts existed between NATO and the South African Navy could be explained by the fact that, at the

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3. Anthony Verrier, Through the Looking Glass: British Foreign Policy in an Age of Illusions (London: Jonathan Cape, 1983), pp.58-60.
  4. Christopher Coker, "The Western Alliance and Africa 1949-81", African Affairs, vol.81, no.324, 1982, pp.324-31.
  5. Ibid., p.326.
  6. Ibid., pp.328-9.

time, Britain still had access to the South African naval base of Simonstown.

Britain's out-of-area role reflects its gradual retreat from an imperial power to the interests and capabilities of a medium-rank European state. In practice several factors were responsible for this development. By the mid-1970s, years of financial duress at home had left little of Britain's extra-European security role. British units available for out-of-area interventions, as well as airlift capabilities, had become quite modest.<sup>7</sup> While the sequence of events which threatened regional stability in South-West Asia in 1978-80 led Britain to reaffirm the need for a British contribution to American contingency planning to counter Soviet out-of-area threats,<sup>8</sup> Britain seemed less well placed than France by the 1980s to project military power out-of-area. Britain's out-of-area policies have been shaped by the prospects, the limitations and the later erosion of the 'special relationship' with the United States. The undisputable intimacy of the Anglo-American partnership, with respect to the build-up

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7. Statement on Defence Estimates 1975, Cmnd 5976 (London: HMSO, 1975).

8. Statement on Defence Estimates 1980, Cmnd 7826, (London: HMSO, 1980), vol.I, para.408.

of NATO and bilateral defence cooperation,<sup>9</sup> encouraged British policy-makers during the 1950s to believe that the special relationship would also work in matters of global strategy. In terms of military partnership beyond Europe, the Anglo-American relationship dwindled in later years to what has been termed a 'residual relationship',<sup>10</sup> as symbolized by Britain's decisions in 1969 and 1975 respectively no longer to designate British ground forces for the contingency plans of SEATO and CENTO. French security policy, on the other hand, has sought persistently to maintain or promote conditions for the preservation of an autonomous, and thereby distinctively French, role within the overall context of the Western Alliance. Translated into the terms of the changing global arena and the fluctuating pattern of intra-Alliance relations, this objective has led French security policy alternately to support and to oppose NATO's strategy. This has been most visible with respect to Allied defence concepts in the European theater but, to a certain degree, it has also manifested itself out-of-area. As in the case of Britain, French out-of-area policies have been shaped to a considerable degree by decolonization and receding

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9. John Baylis, Anglo-American Defence Relations 1939-1980 (London: Macmillan Press, 1981), pp.40-42.

10. Ibid., ch.5.

post-imperial security commitments. Unlike the British experience, however, the French retreat from empire was often a bitter process, marked by protracted colonial wars in Indo-China and Algeria. France was inclined to view its attempts to enlist Allied political support for its colonial war efforts as tests of its relations with its main security partners. In doing so, French policymakers argued that France was holding the line in Indo-China against the advance of communism, and that continued French control over North-Africa was essential to Allied security in Europe.<sup>11</sup> But while the French engagement in Indo-China<sup>12</sup> indeed did generate Allied financial support, the subsequent Algerian war contributed to deterioration of French relations with the Alliance. French mistrust of American attitudes towards decolonization, which manifested itself in an unwillingness to involve the US in French operations in Indo-China, was heightened by the Suez crisis. Resentment over US dominance in the Alliance at the expense of French out-of-area interests played a large part in de Gaulle's call for tripartite decision-making on NATO strategy and Western global policy.<sup>13</sup> By establishing an independent

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11. Coker, n.4, p.321.

12. Stanley Karnow, Vietnam - A History (New York: The Viking Press, 1983), p.177.

13. Theodore Draper, "The Western Misalliance", The Washington Quarterly, vol.4, no.1, Winter 1981, pp.29-30.

French out-of-area role, the renewal of France's privileged and exclusive relations with francophone Africa especially enabled it to turn colonial disengagement to its political advantage, and to criticize with respect to Vietnam. However, the limits of that approach became clear after 1975 when Soviet-Cuban penetration in Angola, southern Africa and the Horn came to threaten French interests in Africa.<sup>14</sup> Although France reacted with a series of interventions in Chad, the Western Sahara and Zaire, French activism in Africa also revealed the inherent limitations of an independent French role. From a political standpoint, the avowed anti-Soviet purpose of some French actions in Africa, by tending to realign France with the Western Alliance in the eyes of French domestic and international public opinion, put into question the autonomy of French security policy. Meanwhile, the Alliance itself refrained from giving France unequivocal support.<sup>15</sup> In a more general sense, the belated transformation of Africa into a theater of East-West competition has revealed the increasing problems for the Western security in the area,

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14. Pierre Lellouche and Dominique Moisi, "French Policy in Africa: A Lonely Battle Against Destabilization", International Security, vol.3, no.4, Spring 1979, pp.119-20.

15. Coker, n.4, p.332.

to which the traditional French presence will only be able to offer partial solutions.<sup>16</sup>

American attitudes towards the issue of NATO out-of-area solidarity have been influenced by the globalism of America's security policies, the credibility of which remains under constant international scrutiny. Furthermore, three factors have affected the ways in which the US has sought to strike a balance between the expectations generated by its leading position in NATO and other competing strategic priorities: American global power and influence; the evolution of the superpower relationship; and the out-of-area concerns of the European NATO Allies themselves. During the early years of the Alliance, the US found itself confronted with various attempts by the European powers to make their beleaguered colonial positions a source of concern for the Alliance as a whole. American responses had to balance such conflicting considerations as America's traditional opposition to colonialism, the search for gradual and peaceful change in the Third World in accordance with Western interests,<sup>17</sup> the

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16. Lellouche and Moisi, n.14, p.131.

17. Scott L. Bills, "The United States, NATO and the Colonial World", in Lawrence S. Kaplan and Robert W. Clawson, eds., NATO After Thirty Years (Wilmington: Scholarly Resources, 1981), pp.149-64.

priority of Western European reconstruction, and the need to accommodate Britain and France as two its chief NATO Allies. In practice, the question of American involvement in decolonization struggles came to depend on the perceived source and urgency of a colonial contingency, the degree of engagement of the colonial power, congressional opinion and the Western position in the United Nations. American material support for the French in Indo-China illustrates this. From the start, US policy-makers saw the French position as precarious, if not untenable in the long run.<sup>18</sup>

From an Alliance point of view, American global intervention during the late 1950s and 1960s seemed to tend towards unilateralism. Initially the NATO Allies of the US acquiesced rather passively, with the notable exception of Gaullist France. But global interventionism also drew an over-confident US into the Vietnam Quagmire to relive the earlier French experience on a larger scale. Ironically enough, it was now America's turn to appeal to NATO solidarity. When the Johnson administration pointed out to the European NATO Allies in 1965 the strategic importance of South-east Asia and the Pacific as 'NATO's Western Flank',<sup>19</sup> it was using the same kind of geopolitical

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18. Karnow, n.12, pp.171-72.

19. Alfred Grosser, The Western Alliance: European-American Relations Since 1945 (London: Macmillan, 1980), pp.237-38.



arguments that the European colonial powers had used 15 years before. Not only did Vietnam drain US energies, but it also came to be perceived in Washington as a wasteful product of dated Cold-War containment policies. The 1969 Nixon Doctrine was an attempt to adapt American global security policies to a rapidly changing international situation. Taking into account the strategic relief offered by the Sino-Soviet split, the Doctrine called on the Asian allies of the US, as well as on Iran, to do more for their own defence against local aggression. In 1975, Congress refused to authorize action to prevent the fall of Saigon and voted to cut off all American military and financial assistance to the pro-Western liberation movements. In Angola, as part of a drive for greater congressional control over US covert operations abroad. It took deteriorating security conditions in the Persian Gulf, a traditional area of direct Western interest, for the US to shake off the double trauma of Vietnam and Watergate. Following the British withdrawal from the region, the demise of CENTO in 1979, the Iranian revolution and the Soviet invasion of Afghanistan, the Carter Doctrine enunciated a new policy of containment in South-West Asia.

The problem of Allied solidarity in out-of-area issues has found expression in the patterns of US-European

relationship. While temporary coincidences of national interests and perceptions have allowed occasionally for limited Anglo-American and Franco-American out-of-area cooperation, broader transatlantic policy co-ordination outside the NATO area has not developed out of the regular out-of-area paragraphs in NATO Communiques. Rather, out-of-area issues appear to have been the source of strain from time to time between the US on the one hand, and Britain and France, as well as smaller European NATO members - Belgium, Portugal and the Netherlands - on the other. Support for this view is best found in the evolving pattern of Allied attitudes to crises in the Middle East, an area where Europe and America share traditional as well as vital interests. Western attempts during the first half of the 1950s to align Egypt, Iraq, Pakistan, Iran and Turkey against a perceived communist threat saw Britain and the US working at cross-purposes. This set the stage for the Suez crisis in 1956, in which, Britain and France yielded to their last imperial temptation without informing the US. Seventeen years later, immediate concerns about their dependence on Arab oil, and old frustrations at having been edged out of the Middle East by the US, led the European NATO Allies to dissociate themselves from American diplomatic and military efforts to

end the 1973 Arab-Israeli War.<sup>20</sup> Except for Portugal, the Netherlands and - for a time - West Germany, the Western Europeans objected to the American use of NATO airfields their territory to resupply Israel.

Transatlantic confrontations over the Suez crisis and the 1973 Arab-Israeli war showed Western Europe and America in effect trading their interventionist and non-interventionist roles in the Middle East. The extent to which it suggests an evolution in the pattern of transatlantic reactions to out-of-area events is both real and relative. European NATO Allies have shown repeatedly their differing reactions to out-of-area situations. While Britain and France have retained the vocation and a limited capability to play an extra-European role, the other Western European members of NATO have become extremely sensitive to any hint that they might be dragged into any kind of military involvement out-of-area through NATO. In a more general sense, 'guilt by association', or the fear of being identified with what domestic constituencies perceive as colonial or neo-colonial interventions by another. NATO member,<sup>21</sup> which

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20. Henry Kissinger, Years of Upheaval (London: Weidenfeld & Nicolson and Michael Joseph, 1982), pp.707-22.

21. Stuart, n.2, pp.55-6.

had been a largely American out-of-area preoccupation during the earlier years of the Alliance, had now become a powerful sentiment in some Western European Quarters of NATO. Spanish (and, to a lesser extent, Italian) criticisms of the British Falklands campaign was an illustration of this trend.<sup>22</sup>

Of course, the transatlantic aspect of Allied out-of-area differences has substantive dimensions as well. First, the uneasy coexistence since the early 1960s of change and continuity in the transatlantic relationship has helped to inhibit the emergence of any sustained Allied consensus on the management of Western global interests. Thus out-of-area issues have demonstrated Europe's contradictory pressures in favour and against US out-of-area involvement.

The tendency in Western Europe to oppose and yet expect American leadership simultaneously, as interests in specific circumstances required, was also demonstrated by the interpretation of the Nixon Doctrine as a sign of diminished US willingness to intervene globally on behalf of Western interests. France, which was

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22. Ibid., p.56.

discovering the limits of its own military and economic capabilities in Africa, deplored American non-intervention in Angola and the Horn of Africa, as well as the US refusal to participate in a multilateral scheme for sustained Western economic and military stabilization of Zaire and other pro-Western African States.<sup>23</sup> Thus, by yielding to their respective and often divergent perceptions of world events, the US and the European members of NATO at times have been creating the impression that the quest for Allied out-of-area solidarity had become, at best, a discretionary instrument to be tried in support of specific national interests.

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Global Dimensions of Western Security: Interests and Vulnerabilities

Discussions of NATO's out-of-area problem refer to the global vulnerabilities of Western security interests. The most often cited of these stem from threats to Western trade and resource security. Continued access to raw materials, such as oil and strategic minerals, constitutes a traditional source of concern on which, for the most part, the Allies appear to agree. These threats to trade and resource security

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23. Lellouche and Moisi, n.14, p.136.

are being connected with socio-economic and political instability in the Third World, resulting in domestic, interstate and regional conflict.

Second, Soviet activity in the third world, which acquired more increasing form in the 1970s, led to speculation about a systematic drive by the U.S.S.R. to subvert Western economic and political interests in Africa, Central America, East Asia and elsewhere. This perceived threat seemed very real in December 1979, when the Soviet Union invaded Afghanistan.

Third, the recrudescence of terrorism against US and Western European citizens, property and interests in the Middle East and elsewhere is perceived by some as a dramatic manifestation of Western vulnerability to endemic violence in many areas of the Third World. In addition, International terrorism against the West is manifestly sponsored by some governments - such as the October 1982 bombing of the Western Multinational Force (MNF) in Beirut - appeared to challenge the ability of the Western powers, amongst them the United States. Also, Argentina's attempt to annex the Falkland Islands in 1982 served as a reminder of the way

in which violent challenges to universally accepted principles of international order can result from the tendency of many governments to deflect mounting domestic problems by resorting to foreign aggression.

Therefore, in the light of these developments we would review the main forms in which these threats manifest themselves and assess their gravity in terms of those vulnerabilities which the Allies tend to share.

#### Economic Vulnerabilities:

The economic security risks involved are generally qualified in terms of import dependence and import vulnerability.<sup>24</sup> Economic vulnerability stems from reliance on the supply of strategic raw materials such as fuels (oil, uranium and coal) and non-fuel minerals, which are critical to the viability of Western economies including those of Australia, Japan and New Zealand and NATO's industrial base. Dependence refers to the extent to which domestic consumption requirements are met by specific, potentially unstable foreign supply resources.

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24. Hanns W. Maull, Raw Materials, Energy and Western Security (London: IISS, 1984), p.7.

Vulnerability refers to the probability that national minimum requirements will not be fulfilled as a result of interruptions, either at source or in transit, of the supplies themselves.

Oil and Minerals:

It is estimated that oil will continue to account for at least one-third of the energy demand in OECD countries between 1985 and 2000.<sup>25</sup> With respect to dependence, NATO members imported some 60% of their total oil consumption in 1983, of which two-third came from non-NATO sources, among which the Persian Gulf figured prominently.<sup>26</sup> Also several other partly contradictory, trends affect NATO's present and near-term import dependence on oil. On the one hand, NATO members have quite dramatically reduced their oil imports since 1973, thereby reducing their overall dependence on Persian Gulf oil from 31% to 13% in 1985.<sup>27</sup> On the

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25. Fereidun Fesharaki and David T. Isaak, OPEC, The Gulf and the World Petroleum Market, A Study in Government Policy and Downstream Diversification (Boulder, London: Westview Press/Croom Helm, 1983), p.29.

26. Tom Rutler, "NATO and Oil Supply Vulnerability, The Role of the Petroleum planning Committee", NATO Review, vol.32, no.5 (October, 1984), p.31.

27. Ibid.



other hand, dependence on Gulf oil remains substantially higher for the European NATO members than for the US and Canada.<sup>28</sup>

OPEC still controls still more than one-third of world production and more importantly, about two-thirds of world oil trade, in contrast to the more limited reserves of alternative and newer supply sources in Africa, Indonesia, the North Sea and South America. Therefore, the most important factors bearing upon the future credibility of the oil weapon remain the ability and the willingness of conservative Arab oil producers to insulate the long-term economic interests which they have come to share with the west from the dynamics of the Arab-Israeli conflict. With respect to import vulnerability, attacks on oil pumping and refinery installations in the course of the Gulf war between Iraq and Iran have underlined the potential for dangerous supply disruptions at source. While western countries do have proven instruments to cope with disruptions, the future effectiveness of such economic crisis management might be reduced in several ways.

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28. Ibid.

First, Western oil companies now enjoy less flexibility to redirect oil flows, which OPEC's basic control over oil production since the late 1960's, combined with its current policy of downstream diversification, renders the activation of surge capacity more dependent on discretionary producer decisions.<sup>29</sup> Second, the build up of commercial and government stockpiles within the framework of the emergency oil-sharing scheme of the International Energy Agency (IEA) and parallel arrangements within the EEC at present are not supported adequately by clear and agreed intergovernmental policies on the acquisition, management and activation of stockpiles. Third, the establishment of the IEA in 1974 in which, significantly, France does not participate is no guarantee that its members are now immune from unilateralist temptations in the face of renewed oil crisis. Thus it is quite likely that, in a crisis with far-reaching political ramifications, national self-interests might well undermine the declared political will of IEA members to implement oil-sharing scheme.

The various concerns raised by mainly Western European dependence and vulnerability with respect

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29. Mauli, n.1, p.121.

to Gulf oil imports acquired an East-West dimension, with the economic and strategic implications of the Soviet energy problem. The implications for Western oil security depended on the actual course of Soviet policy, as well as on the willingness of Gulf producers to step up preferential oil supplies to the Soviet Bloc. Non-fuel minerals provide essential raw materials for defence and other high technology industries. Hence they are particularly relevant to the military dimension of economic security. NATO members are heavily dependent on outside sources for the supply of critical materials such as chromium, cobalt, manganese, platinum and titanium. Some suppliers are Western states themselves while others, mainly Asian states have close economic ties to the West. Key African suppliers, such as Gabon (manganese), Guinea (bauxite), Morocco (phosphates), Zaire (cobalt) and Zimbabwe (ferrochromes) have been either unable or unwilling to emulate the Arab use of oil weapon by subjecting western consumer countries to any kind of 'mineral blackmail' for political purposes.

#### Trade and Trade Routes:

Traditionally foreign trade has been a crucial ingredient of economic growth and prosperity for the

European NATO members, and its importance to the U.S. economy is rapidly increasing.<sup>30</sup> Both the U.S. and its European Allies carry on a significant 'out-of-area' trade. In 1982 they reported to developing countries 39% and 21% of their total merchandise respectively. The figures for manufactured products were 40% and 25% in 1981.<sup>31</sup> Taken together these facts point to the critical importance to the US and Western European economies of unimpeded sea-borne commercial traffic. There are three concerns, however, which affect the perceived vulnerability of this traffic.

First there are numerous maritime 'choke points' at which littoral states, which often possess relatively sophisticated weapons could interdict shipping. Well-known choke points in this context are the straits of Hormuz and the Rainbbean Sea-lanes. Between 30% and 35% of Western European oil imports pass through the Persian Gulf and almost 50% of all US trade traverse the Rainbbean basin.<sup>32</sup> The second concern is

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30. World Development Report 1984 (New York: Oxford University Press, 1984), p.227.

31. Ibid., p.241.

32. The Report of the President's National Bipartisan Commission on Central America (New York: Macmillan Pub. Co., 1984), p.110.

the widespread tendency among littoral states to extend their sovereignty beyond the usual three-mile territorial Sea zones. By 1984 at least 90 states had declared territorial Sea-zones in excess of 12 nautical miles, while several Latin American and African States claim zones of 200 nautical miles. The U.S. for its, has been underlining the Western commitment to maritime order by carrying out freedom-of-navigation exercises since 1979, notably in the Gulf of Siste which is claimed by Libya. Libya has reacted violently to such an assertion of maritime right.

#### Political Vulnerabilities:

In contrast to the economic aspects of NATO's out-of-area problem, it is much harder to identify the wider political threats to Allied Security in terms of a calculus of interests and vulnerabilities. This is because, political out-of-area interests tend to mean different things to different Allies, according to the extent and nature of their respective stakes in the world arena.

#### Dependent Territories:

For Britain and France and to a much lesser extent for Portugal, Spain and the Netherlands residual

vulnerabilities can stem from the few, and generally small, overseas dependencies which they still retain today. This was demonstrated vividly by the Falklands War between Argentina and Britain in 1982, the serious insurgency France faced in New Caledonia in 1984-85 etc.

External Security Obligations:

Defence agreements maintained by individual NATO members with independent states outside the North Atlantic Treaty Zone also constitute a potential source of political liability. The U.S. has bilateral and multilateral defence agreements, as well as military aid and co-operation agreements, with more than 50 states in Asia, Latin America and Middle East. Britain has its five power Defence Arrangements with Australia, Malaysia, New Zealand and Singapore, Treaties of Friendship with a number of Persian Gulf States. Some agreements when invoked by their local signatories thus can expose NATO members to possibly unwelcome out-of-area involvements. Vietnam's aggressive policies in Indo-China have tended to revive the significance of the Five-power Defence Arrangements, at least in the eyes of their local signatories.<sup>33</sup>

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33. Strategic Survey 1980-1981 (London: IISS, 1981), p.99.

Military Vulnerabilities:

Third World conflicts, recurrently have brought into sharp relief Western economic or political vulnerabilities which otherwise might have tended to remain unclear. This suggests that NATO members, notwithstanding the established geographical limits to the Alliance, do share a general objective beyond those limits, namely to prevent, by military force if necessary, conflict in the Third World from threatening those critical interests upon which they agree most.

These, however, stem from the two main contingencies which NATO members face (or could be facing) in out-of-area crises: limited but trying third world conflicts (so called 'small wars') and conflicts involving direct and full-scale aggression by other countries. Small wars refer to conflicts ranging from domestic insurgency to large-scale inter-state wars which if necessary, super-powers can contain in order to avoid a direct armed confrontation between them.<sup>34</sup> The question of involvement in small wars is fraught with perplexities and the military dimensions of involvement can be hazardous and complex. Small wars can turn into protracted

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34. Eliot A. Cohen, "Constraints on America's Conduct of Small Wars", International Security, vol.9, no.2 (Fall 1984), p.151.

and mixed conflicts in which high intensity conventional phases and low-intensity insurgency operations alternate.<sup>35</sup> Britain, France, and the U.S. have engaged in bilateral or multilateral diplomacy, encouraged regional security co-operation and adjusted their arms supply choices. Thus as NATO members intervening against disorganized regimes have come to experience, far-reaching political and administrative interference in the affairs of such regimes.<sup>36</sup>

Implications:

Thus from the above observation we can establish a calculus of Western out-of-area interests and external threats to these interests. This suggests the following implications.

First, any wider interests which NATO members may have in common still need a shared perception of an impending threat - a renewed Arab oil embargo, another 'Afghanistan', escalating anti-Western terrorism - to be brought into sharp relief.

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35. Ibid., p.153.

36. Ibid., p.168.



Second, most existing out-of-area vulnerabilities, whether shared by NATO members or not, are there to be managed rather than solved. And where they can be anticipated and identified in time, future out-of-area challenges can become the subject of appropriate national and co-ordinated policy responses on the part of NATO members.

By addressing the structural causes of global disorder, co-ordinated Western action to stabilize the international economic and monetary system, to sustain development co-operation with third-world countries and to pursue active bilateral and multilateral diplomacy constitute tangible and intangible assets which, in the longer term, may be more effective in influencing any global correlation of forces than military power only.

## CHAPTER IV

### CONCLUSION

Germany's role in the Gulf War made a huge impact on its previous foreign policy configurations. Being an important nation of Europe and member of North Atlantic Treaty Organization (NATO), her role was bound to be effect-producing. Germany's placid foreign policy contours were disturbed in the wake of German unification. Gulf war came close on the heels of end of the Cold War. It was a momentous development not only for Germany but for world as a whole, because it involved a large number of countries, directly or indirectly.

Germany's Iraq connection was a matter of controversy. Germany was deeply involved in Iraq's arms build-up effort. A large number of German companies helped Iraq to enlarge its stockpiles of chemical and biological weapons. German scientists helped Iraq in upgrading and extending the range of Iraqi Scud missiles. For well over a decade, hundreds of German businessmen, scientists, and middlemen had played the key role in Iraq's \$ 50 billion programme to produce weapons of mass destruction. It is estimated that roughly 70 per

cent of Iraq's nuclear, chemical, and biological capacity was provided by Germans. Until the Israelis destroyed the Osirak reactor in 1981, France was the primary supplier of nuclear technology to Iraq. But then the emphasis shifted to Germany. The Germans helped both with raw materials and with sophisticated hardware. Iraq was determined to be a nuclear power to match Israel. If Israel was committed, under the Begin Doctrine not to allow any Arab country to go nuclear, Iraq was equally determined to be the first Arab country to acquire nuclear weapons. Here Germany's foreign policy makers were facing a tough choice. They could not ignore their vulnerabilities to oil imports from the Gulf region and at the same time they could not afford to antagonize Israel. Moreover, Germany has been exporting arms to the Middle East countries on a large scale. In fact, Germany is one of the leading arms exporter countries in the world. Germany's arms export policy was directed more towards commercialism than any strategic purpose. But the Gulf region is an area of vital importance to Germany. Germany gets most of its crude oil and petroleum products from that

region. It is heavily import-dependent for its oil and petroleum needs. Germany's deep involvement in Iraq's defence build-up can be seen from this angle also. But Germany's international image was tarnished when it was known that a total of 110 German companies tried to get around the UN embargo against Iraq. The laxity of German strict arms export control, institutional machinery and legal enactments to curb arms exports stood exposed. This fact underlined Germany's dilemma in formulating a clear-cut foreign policy measure for the Middle East.

West Germany and Israel have had a sound bilateral relationship for a very long time. The bilateral relationship of friendship and cooperation between the two countries took place due to mutual necessity. Israel provided the Germans opportunity to get rid of their guilt complex by giving it a lot of aids. Thus, Israel acted as a sort of psychological cushion for West Germany. Beginning with reparations, the relationship between the two countries diversified into many economic engagements such as aid, trade and investment. West Germany gave huge economic aids to Israel. West Germany helped Israel to conclude a

preferential trade agreement with Europe. Defence links have also formed part of the relations, consisting of arms transfers from 1965 and exchange of information on weapons technology.

But when we examine West Germany and Israel's foreign policy moves towards the Arab countries, we find that the two countries are divergent. The two countries differ with regard to their perception of and solution to many Middle East problems. West German-Israeli relations have been marked by severe disagreement on the Arab-Israeli-Palestinian problem. Germany does not approve of Israel's tough policies towards the Palestinians. On the other hand, Israel does not like Germany's close interaction with Arab states. Israel has been critical of German policy to export sophisticated arms to a number of countries in the Middle-East. Here German and Israeli national interests do not run parallel. Germany has been exporting large quantity of arms to many Arab countries to inflate its commercial earnings. But Israel does not approve this German move. Since Israel has had a hostile relationship with the Arab countries, it would not like them to be equipped with sophisticated arms. Israel has tried to neutralise Arab countries superiority in conventional weapons by secretly developing

nuclear weapons. At the same time it has been the objective of Israel not to let any Arab country become a nuclear power. Iraq's hot pursuit of nuclear weapons was halted in 1981 when Israeli aircrafts bombarded Osirak nuclear reactor. But it is interesting to note that after Osirak nuclear plant's destruction by Israel, West Germany replaced France as Iraq's prime collaborator in nuclear research field. This fact apart, as already noted, many German companies and scientists were engaged in strengthening the Iraqi military machinery. This fact greatly annoyed the Israelis. It found concrete manifestation when Iraqi Scud missiles started hitting Israel, particularly its city Haifa. Since the range of Scud missiles was extended by German scientists, Israelis felt betrayed. Thus, during the Gulf war German-Israeli ties came under great strain. Germany tried to minimise the damage by announcing fresh aid to Israel. But bitterness lingered on.

Germany's controversial role in the Gulf war brought NATO's 'out-of-area' problem into limelight. Germany and some other NATO members have been hesitant in participating in NATO's out-of-area involvements.

In fact, the contest between the demands of NATO and extra-European security needs has been a constant source of intra-alliance disputes. Out-of-area-challenges remain an unresolved issue within NATO. The out-of-area issue arose mainly in the context of the particular European NATO allies to preserve their fading colonial empires. For example, Britain's out-of-area role reflects its gradual retreat from an imperial power to the interests and capabilities of a medium-rank European state. Several factors were responsible for this development. By the mid-1970s, years of financial duress at home had left little of Britain's extra-European security role. But Britain was practical enough to realise and accept its diminished international profile. In later years Britain became a supporter of America on the issue of NATO's out-of-area operations. NATO's out-of-area operations got great support from former British Prime Minister Mrs. Margaret Thatcher and Henry Kissinger of USA. It acquired a strong Anglo-Saxon flavour. France was not very enthusiastic about NATO's out-of-area operations. Particularly, Charles de Gaulle of France thought that under the out-of-area operations, USA was extending its global hegemony. But in 1970s

and 80s France softened its attitude towards NATO's out-of-area operations issue. But economic vulnerabilities of NATO countries force them <sup>to</sup> recognise the importance of NATO's out-of-area operations. Iraq's occupation and later annexation of Kuwait threatened the interests of NATO countries. NATO countries including Germany are heavily dependent on oil import from the Gulf region. Germany has been a hesitant supporter of NATO's out-of-area operations. Germany angered USA and some other NATO members by keeping a very low military profile in the Gulf War. But Germany's slack response to the Gulf crisis should be seen in the context of German unification problems. At the time Gulf crisis emerged, Germany was deeply engrossed in its domestic problems created by Germany's unification.



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