# HOW WEST GERMANY HELPED TO BUILD ISRAEL

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S ince its foundation in 1949 the Federal Republic of Germany has been directly involved with events in the Middle East relating to the Palestine conflict. The extent of West German intervention — in the form of reparations, loans, gifts, technical services, trained personnel and even military aid to Israel in the critical years from 1950-1967 — was such that it certainly affected the balance of power betwen the adversaries. Nevertheless, some obscurity still surrounds the West German role, and even today certain facts are unobtainable from the authorities. For this reason, an examination in detail of German policy during the period is necessary.

At the beginning of the period under consideration it is now evident that the Federal Republic pursued certain economic and political objectives, the fulfilment of which depended to a very great extent on United States support and approval. This in turn meant that United States demands that West Germany should finance and support Israel in various ways must be met. In this the Germans concurred, justifying their action on the grounds of "compelling moral obligation" to Jewish victims of Nazi oppression.

It is clear, however, that this was a mere rationalization for the policy. There was no moral reason for West Germany to donate compensation to the state of Israel — as opposed to individual Jews and their families who had suffered from the Nazis — at a time when the state of Israel was itself responsible for the homelessness of hundreds of thousands of Palestinian refugees. The real reasons lay in the economic and political realities which the Federal Republic of Germany faced in its relationship with the Western world.

#### 1. Reparations to Israel

By the treaty between the Federal Republic of Germany and Israel, signed in September 1952 and ratified in March 1953, the Federal Republic promised

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to pay the state of Israel 3 billion German marks in commodities and services over a period of twelve years.¹ It was agreed that Israel should place orders with West German firms and the latter would receive payment direct from the West German government. About one-third of the payments were to be made to British oil companies for oil shipments to Israel.² The explicit purpose of these agreements was to further the development of Israel's economic infrastructure. Another provision of this treaty stipulated that some 450 million German marks would be paid to the Conference on Jewish Material Claims against Germany, representing twenty-three Jewish organizations with head-quarters outside Israel, on behalf of needy Jews who had been victims of the National Socialists. These payments, it should be noted, were also to be made in the form of commodities and services to Israel, which in turn was to repay the corresponding amount in currency to the Claims Conference.

A further provision of the Treaty called for new West German legislation to extend the scope of its existing laws whereby compensation was already being made to *individual* victims of the Nazi regime. Finally, Israel undertook to compensate some 2000 Germans who had been forced to leave Palestine and whose property had been confiscated by Israel in 1950. By and large, therefore, this Treaty covered compensation to German Jews, other Jews in various countries who had suffered from Nazi persecution, and even for German Christians in Palestine who had been evicted by the new Zionist state! Furthermore, the method of payment of these reparations and other forms of economic aid, justified on compelling moral grounds, had the immediate effect of strengthening Israel's economic and military position vis-à-vis the Arabs.

The Israeli economy, which was in poor shape in the early 1950's, was given new impetus by virtue of these West German payments. At that time the shortage of electricity in Israel was so acute that both industries and households were subjected to collective cuts at certain times of the day. This meant that almost all sectors of economic development in the country were being adversely affected. Israel's foreign currency reserves were almost non-existent; moreover, it had not been able to obtain loans. The West Germans built and installed five power plants, with the result that between 1953 and 1956 the country's generating capacity quadrupled. They paid for a large part of the oil that was needed to operate the plants and improved and expanded the

<sup>&</sup>lt;sup>1</sup> For the text of the treaty, see Bundesgesetzblatt II, 1953, pp. 35 ff.

<sup>&</sup>lt;sup>2</sup> Nicholas Balabkins, West German Reparations to Israel (New Brunswick: Rutgers University Press, 1971), pp. 134, 191.

transmission and distribution network. They laid a new railroad track to Beersheba and replaced half of the Jerusalem-Tel Aviv line, delivered four hundred box-cars and a number of shunting engines and installed electrical signalling and coordinating equipment which made express trains possible there for the first time. Half of the passenger coaches which Israel possessed in 1962 had come from West Germany.

Furthermore, the West Germans brought about a marked extension and improvement in Israel's telephone and telegraph systems. They expanded the port of Haifa, which resulted in its international classification being raised from No. 4 to No. 2. Equipment for the exploitation of minerals, including a copper plant which became one of Israel's most important sources of income also came from West Germany. West Germans built and laid 280 kilometres of giant pipelines ( $2\frac{1}{4}$  and  $2\frac{1}{2}$  metres in diameter) for the irrigation of the Negev. From West German ship builders Israel acquired 59 vessels, two customs launches and four passenger ships. German-made equipment was installed in about 1300 plants. To all this they added a steel plant, 200,000 tons of iron and thousands of tons of other raw materials.

There can be no doubt that these various basic development projects did more than enhance the recipient's immediate economic well-being; the striking advances in electric power, transportation, communications, iron and steel production and so forth could not fail to strengthen Israel's military capacity. According to the West German Chancellor, Konrad Adenauer, measures had been taken to prevent any "misuses" of the treaty and only commodities which served the "settlement and reincorporation of Jewish refugees in Israel" could be purchased. It is obvious that this was mere rhetoric.

Israel acquired still another advantage over the Palestinians through its treaty with West Germany. The West German government was fully aware that it was undertaking to strengthen Israel's military as well as economic potential; yet it bound itself for a period of twelve years without setting any limits to Israel's use of this advantage. Adenauer declined to acknowledge any obligation to take the interests of the Palestinians into account: "The Federal Republic has neither the right nor the possibility to take a position on the question of the Palestine refugees." The upshot was that the Israelis could count on regular infusions of strength from West Germany, unimpeded

<sup>&</sup>lt;sup>3</sup> *Ibid.*, chap. 11.

<sup>&</sup>lt;sup>4</sup> See Rolf Vogel, ed., *Deutschlands Weg nach Israel* [Germany's Road to Israel] (Stuttgart: Seewald Verlag, 1967), p. 79.

<sup>&</sup>lt;sup>5</sup> *Ibid.*, p. 80.

by any consideration of the rights and wrongs in the continuing Palestine conflict.

The very important amount of aid which Israel received from West Germany certainly contributed to the stiffening of its resistance to a compromise settlement and intensified Zionist expansion inside Palestine. The highlights of this progression were: the refusal of Israel to allow the Palestinian refugees to return to their homes; the attack on Gaza in February 1955; the war against Egypt in 1956; the expulsion of Syrian farmers from their fields along the Syrian border; Israel's diversion of water from the Jordan for the irrigation of the Negev in spite of the United Nations' finding that this would cause serious harm to the Arabs who were dependent upon the waters of the Jordan; and the conquest and military occupation of the rest of Palestine which began in June 1967. For the details of these actions the reader is referred to the relevant sources.<sup>6</sup>

# 2. The Fallacy: the "State of the Jews"

Let us turn now to the question why West Germany supported the state of Israel as it did. In the preamble to the reparations treaty the parties stated:

# Considering,

that

unspeakable crimes were committed against the Jewish people during the National Socialist rule,

#### and that

the government of the Federal Republic of Germany expressed its intention on September 27, 1951, to make reparations for these acts within the limits of its ability,

and that

the state of Israel has undertaken the heavy burden of settling so many rootless and destitute Jewish refugees from Germany and the

<sup>6</sup> Among the most important publications on these matters are E.L.M. Burns, Between Arab and Israeli (London: Harrap, 1963); Fred Khouri, "The Jordan River Controversy," Review of Politics XVII, 1 (January 1965), pp. 42 ff.; Khouri, "The Policy of Retaliation in Arab-Israeli Relations," The Middle East Journal, XX, 3 (Summer 1966), pp. 435 ff.; Carl von Horn, Soldiering for Peace (London: Cassell, 1966). In this connection I wish to refer to a few studies of mine: Der Nahostkrieg in der westdeutschen Presse [The Near East War in the West German Press] (Cologne: Pahl-Rugenstein Verlag, 1970), "Die Menschenrechte in den von Israel besetzten Gebieten" [Human Rights in the Israeli-Occupied Territories] Blätter für deutsche und internationale Politik, 1971, pp. 625 ff. and "Die Eröffnung von Kampfhandlungen im Junikrieg 1967" [The Opening of Hostilities in the June 1967 War], Beiträge zur Konstittforschung, Vol. 1, 1974.

territories formerly under German rule, and, therefore, has had its claim against the Federal Republic for a global reimbursement of the costs of settlement recognized...

What underlay these "considerations"? Was it only the consciousness of a strong moral duty that moved the West German government? Or were certain economic or political advantages the decisive grounds for its decisions?

Adenauer stated on several occasions that the decision to pay reparations to Israel had been inspired by the wish to fulfil a compelling moral obligation. For example, recalling the threat of a boycott against West Germany which Arab states had made in connection with the reparations treaty, he remarked:

The treaty with Israel was something different from the usual treaties between states. It rested upon a compelling moral obligation. The Federal Republic was determined to make reparations for what Hitler had done to the Jews as far as that was possible. It would have been a disgrace if we had wavered in making this decision simply because we were threatened with economic disadvantages. There are greater things in life than making money.<sup>7</sup>

That the West German leaders held the conviction that they had a moral duty to try to set right the wrongs done to their own and to other Jews in Europe was to their credit. What are at issue here are the methods they employed and the impact these had on the fate of other innocent victims. If compensation were due to Germany's Jewish victims the obvious thing to do was to make individual reparations to them such as the West German Länder had been doing since 1949. This programme had been initiated by the Allied Occupation Powers and in 1952 the Federal Government passed laws supplementing the legislation of the Länder. Up to 1972 the Federal Republic had paid out more than 43 billion German marks in compensation to individuals; by the end of 1974 the total was expected to be 52 billion marks. 8

What is not clear is how the idea of "compelling moral obligation" came to be extended to the state of Israel. The point at issue appears to be the

<sup>&</sup>lt;sup>7</sup> See Konrad Adenauer, Erinnerungen 1953-55 [Memoirs, 1953-55] (Stuttgart: Deutsche Verlagsanstalt, 1966), p. 155. One author concludes solely on the basis of statements by Adenauer that the latter regarded the treaty as Germany's moral obligation. See Jörg Seelbach, Die Aufnahme der diplomatischen Beziehungen zu Israel als Problem der deutschen Politik seit 1955 [The Establishment of Diplomatic Relations with Israel as a Problem of German Policy since 1955] Meisenheim: University of Marburg Diss., 1970, p. 7. Similarly, Balabkins: "As a practising Catholic and a highly self-disciplined Christian, he [Adenauer] believed in God, sin, penitence and atonement," Balabkins, op. cit., p. 141.

<sup>&</sup>lt;sup>8</sup> For a discussion of the laws regarding compensation to individual victims, see Schwerin, "German Compensation for Victims of Nazi Persecution," *Northwestern University Law Review*, 1972, pp. 479 ff.

outcome of a fallacy — the confusion of the state of Israel with the nonexistent "State of the Jews." The idea that the National Socialist regime had wronged "the Jewish people" (italics mine) is postulated in the passages already quoted from the 1952 Treaty and from the Memoirs of Adenauer. One is tempted to assume that the West German government had come to acknowledge an obligation to build up the state of Israel as a logical consequence of the wrongs to "the Jewish people" and this without further argument. But on a closer reading of the treaty an extra reason is given: in the preamble the point is made that Israel was entitled to such aid because of its expenditures for the settlement of Jewish refugees whose flight from Europe was caused by the Nazis.9

The head of the German delegation which had negotiated with Israel, Franz Böhm, elucidated this argument in justifying the treaty. He asserted that five hundred thousand Jews had taken refuge in Israel during the years 1933 to 1951 because of the Nazi persecution. Furthermore, the costs of settling them amounted to three billion German marks.

Concerning the question of non-German Jews, he said that theissue had been discussed by the parties, because the Allies had released a very large contingent of Polish, Hungarian, and Rumanian Jews who had been in concentration or displaced persons camps in their old homelands — where they had remained for some time before they emigrated to Israel.

We made a careful examination of this matter as to each of the groups and, indeed, on the basis of official Israeli statements which had been made available to us.

... These Jews found their houses occupied by the native populace. Their fields had already been confiscated during the German occupation and were in the possession of strangers. Their belongings had been seized and stolen by the SS. They could not find employment anywhere. They were confronted with hatred. This hatred was partly due to the unwillingness of the population to vacate the houses. This might have been only a temporary hindrance. But, unfortunately, the hatred of the populace had another root. The anti-Semitic seeds that had been sown by National Socialist propaganda during the German occupation of these areas had taken root in the hearts of the people.... The German delegation could not ignore the force of this argument.

The calculation of the costs per head of settling the refugees was less difficult. We Germans are specialists in this area, since we had to take in millions of refugees. We had a high official of the Ministry for Refugees examine the Israeli calculation of costs, in which, to be sure, the special

<sup>9</sup> Adenauer had expressed this idea in a speech before the Bundestag on September 27, 1951. See Vogel, op. cit., p. 36.

and incomparable geographical, social and economic situation in Israel was taken into account... We made our estimate the basis of the offer which we made and which was accepted by the Israeli government.<sup>10</sup>

It is remarkable that the German delegation made no independent investigation of the wave of Jewish emigration out of Eastern Europe to Israel in the years 1946-1951. As we have seen, the German side admitted that this matter was important because of the large number of persons involved. According to the figures quoted by a West German official of the Finance Ministry, well over half of all European immigrants to Israel between 1933 and 1952 emigrated after 1945.11 Doubtless, anybody who had really wanted to discover the facts would have given much serious thought to a number of questions, including the following: Is it true that the Jews could not find employment in the socialist societies to which they returned? To what extent was the complaint regarding loss of property a grievance of former capitalists about the loss of capitalist opportunities due to the introduction of socialism? Zionists had been hard at work in the displaced persons camps drumming for immigrants, and they had lobbied in Washington to exclude European Jews from the United States and to bring about their emigration to Palestine. 12 Did this qualify them to receive aid on humanitarian grounds?

Aside from these grounds for questioning the German motivation, there is the fact that West Germany never offered to consider the reimbursement of any other state for taking in Jewish or other refugees who ostensibly had had to flee from Europe because of the Nazis. The West German Chancellor, recapitulating his case for reparations in his memoirs, quoted a statement of the Israeli government, in which it purported to distinguish its situation from that of other countries "... where the newcomers could be easily absorbed by a fully developed economic system, whereas Israel had to make great efforts and spend much public money to provide for the newcomers and create employment for them." <sup>18</sup>

But the difference between Israel and other states in this respect cannot be assumed so easily, since the West German government simply did not

<sup>&</sup>lt;sup>10</sup> See Franz Böhm, *Reden und Schriften* [Speeches and Essays] (Karlsruhe: C.F. Müller Verlag, 1960), pp. 20-22.

<sup>&</sup>lt;sup>11</sup> George Blessin, *Wiedergutmachung* [Restitution] (Bad Godesburg: Hohwacht Verlag, 1960), p. 93,

<sup>&</sup>lt;sup>12</sup> Sydney Fisher, *The Middle East* (London: Routledge and Kegan Paul, 1960), p. 641, cited in Gert von Paczensky, *Unser Volk am Jordan?* [Our People on the Jordan?] (Hamburg: Hoffman und Campe Verlag, 1971), p. 57.

<sup>&</sup>lt;sup>13</sup> See Adenauer, op. cit., p. 135.

show any interest in going into the matter of the expenditure on Jewish refugees and emigrants in other countries.

In conclusion, the assertion that West Germany was actuated by a sense of obligation to Israel because of the latter's expenditures on settlement of Jewish refugees whose emigration to Israel was provoked by the National Socialists is scarcely credible. There remains the possibility that this version of the events was given out for some reason of prudence. Was the real motive, then, that wrongs to "the Jewish people" were sufficient to give rise to a moral obligation towards the state of Israel? In line with this notion Adenauer asserted in his memoirs that the Israeli position, according to which it was the legitimate representative of all Jews, "had been accepted." 14

Israel and the Zionists in general have repeatedly claimed that Israel is entitled to represent all Jews, wherever they may be; but the conspicuous fact is that only a small minority of Jews live in Israel. When the question of Israel's right to represent "the Jewish people" was raised at the Eichmann trial, the Israeli court argued:

The connection between the state of Israel and the Jewish people needs no explanation. The state of Israel was established and recognized as the state of the Jews... It would appear that there is hardly any need for any further proof of the very obvious connection between the Jewish people and the state of Israel: this is the sovereign state of the Jewish people.

The fallacy here is all too obvious. No other state in the world has "recognized" Israel as "the state of the Jews" and thereby yielded its Jewish citizens to Israel's jurisdictional claim. 15

Notwithstanding Adenauer's remark, it is not true that the West Germans had dealt with Israel as if it were the sole representative of "the Jewish people." The chief negotiator with whom they discussed the matter of reparations, Nahum Goldmann, was the spokesman for the Claims Conference as well as Israel but within the framework of the treaty West Germany made a separate protocol with the Claims Conference regarding payments to it.

It is again not clear to what extent Goldmann could be said to represent "the Jewish people." Membership of the Claims Conference was limited to Jewish organizations in the USA, Great Britain, Canada, France, Argentina, Australia

<sup>&</sup>lt;sup>14</sup> *Ibid.*, p. 133.

<sup>&</sup>lt;sup>15</sup> For a discussion of this topic, see Mallison, "The Legal Problems Concerning the Juridical Status and Political Activities of the Zionist Organization/Jewish Agency," William and Mary Law Review, 1968, pp. 556 ff.

and South Africa. <sup>16</sup> It is true that the great majority of Jews outside Israel lived in these countries. But this ignored the existence of millions of Jews living in Eastern Europe, the Arab countries and elsewhere. Even within the countries whose organizations formed the Claims Commission, there was considerable opposition to the creation of the state of Israel: anti-Zionist Jews pointed out the dangers of Zionist nationalism and to the conflict of loyalties which would arise between the states of which they were citizens and Israel. <sup>17</sup>

Again, it may be asked why Israel was singled out for such recognition in regard to the Jews. The same treatment was not applied to people like the Gypsies who had also suffered atrociously under the Nazi Socialist racial laws. Estimates of Gypsies put to death during the Nazi period range from 250,000 to a million. <sup>18</sup> A further advance to recognition occurred at the London Debt Conference which took place at the same time as the negotiations leading to the 1952 Treaty: there it was agreed that Germany should not pay reparations to any state for damages caused during World War II until such time as a peace treaty would have been signed with a reunified Germany but an exception was made in regard to payments to Israel. <sup>19</sup>

The West German government's utter disregard of its impact upon the Palestinians is another illustration of the point that is being urged here. It is an accepted axiom that the effect of a transaction upon the interests of persons who are not parties may sometimes be relevant to the morality of the transaction. Thomas Aquinas gave the following example in his discussion of natural law: As a rule it is wrong to withhold another person's property from him;

<sup>&</sup>lt;sup>16</sup> Nahum Goldmann, *Staatsmann ohne Staat* [Statesman without a State] (Berlin: Kiepenheuer und Witsch Verlag, 1970), p. 314.

<sup>&</sup>lt;sup>17</sup> See, for example, Elmer Berger, *Judaism or Jewish Nationalism* (New York: Bookman Associates, 1957).

<sup>&</sup>lt;sup>18</sup> Hermann Arnold, *Die Zigeuner* [The Gypsies] (Freiburg im Breisgau: Walter Verlag, 1965), p. 77; *Süddeutsche Zeitung*, December 31, 1972 - January 1, 1973.

<sup>19</sup> Not until much later — 1956 — did the Federal Republic undertake to make payments to the sum of 60 million German marks to Yugoslavia in satisfaction of claims that arose out of the war. At the same time it also agreed to grant Yugoslavia long-term credits amounting to 200 million marks. Beginning in 1959 the Federal Republic promised to pay certain sums to eleven Western European states and Austria for the compensation of their citizens who had been persecuted by the National Socialists because of their race, religion or ideology. These agreements supplemented the Federal Compensation Law which had made compensation conditional upon one's residence in Germany between certain dates. In 1951 the Federal Republic decided to compensate victims of medical experiments, but until 1960 this provision was limited to persons who lived in countries with which the Federal Republic had diplomatic relations. For discussions of these matters, see Schwerin, op cit., and Rumpf, "Die deutsche Frage und die Reparationen" [The German Question and Reparations], Zeitschrift für ausländisches öffentliches Recht und Völkerrecht, 1973, pp. 344 ff., 353-57.

yet one should not return a dangerous weapon to the owner, if one believes that the latter would use it to harm someone. Adenauer recognized this principle formally when he remarked that the treaty could not be "misused." The Reparations Law of the Federal Republic recognized the principle and went well beyond it: Persons who otherwise are entitled to compensation for having been persecuted by the National Socialists receive nothing if they prove to be unworthy, for instance, if they are convicted of a crime and sentenced to more than three years in prison or actively oppose the system of freedom and democracy which was established with the Basic Law of the Federal Republic.<sup>20</sup> If the West German leaders had been really concerned about the adverse effects of their actions on the Palestinians, they would have refrained from entering into the Israeli treaty as it stood or made the West German performance conditional upon Israel carrying out its responsibility to the Palestinians. Having come this far, they would have been confronted with the promise that the state of Israel made when it was admitted to the United Nations, namely that it would allow the refugees the choice of returning or being compensated, and by the various resolutions of the United Nations which said the same thing.

Finally, it should be noted here that Adenauer's professed willingness to suffer material sacrifices resulting from an Arab boycott rather than fail in his "duty" to Israel was influenced by his conviction that such a boycott would have little effect. <sup>21</sup> His conviction, indeed, was well-founded at that time. Oil was plentiful and cheap and Germany had hardly begun the switch from coal to oil to meet its energy needs. <sup>22</sup> Clearly we must look further for the causes of the West German decision to build up Israel. In what follows I shall argue that the true explanation lies, roughly speaking, in the role that the Federal Republic played in the Cold War. The treaty was a dictate of self-interest within the narrow confines of this role.

#### 3. West Germany and the Western Alliance

In 1952 the West German government was demanding not just the reunification of East and West Germany but also the entry of the reunited country into the Western alliance. In March of that year, the Soviet Union proposed

<sup>&</sup>lt;sup>20</sup> See Blessin, op. cit., p. 71.

<sup>&</sup>lt;sup>21</sup> See Adenauer, op. cit., pp. 154-55; Böhm, op. cit., p. 232.

<sup>&</sup>lt;sup>22</sup> The existence of a buyer's market in oil at that time was one of the reasons for Iran's unsuccessful attempt to nationalize one of the oil companies. This is discussed in Christopher Tugendhat, Oil — The Biggest Business (London: Eyre and Spottiswoode, 1968), chap. 14.

to the United States, England and France that a conference be held on the reunification and neutralization of Germany. The Western powers rejected the invitation, and Adenauer let it be known that he had taken part in the decision. During those years the West German government also insisted that its political friends refrain from recognizing the GDR, an attitude that was finally embodied in the Hallstein Doctrine, threatening to break diplomatic relations with any state that recognized the GDR. Indeed, it claimed that, being the only freely elected German government, it was entitled to speak for all of the German people. <sup>23</sup>

Concerning Berlin, it claimed the right of passage by land and water as well as by air between West Berlin and West Germany for persons and commodities, the right of representatives from West Berlin to participate in the deliberations of the Federal Parliament (though without votes) and the right of the Federal Republic to represent West Berlin in foreign affairs. <sup>24</sup> Furthermore, West Germany took the position that the legal status of the Eastern territories and the right of the German refugees to return there were unchanged and could not be altered except by treaty. <sup>25</sup> Besides asserting these demands the West German Chancellor expressed the hope that the Soviet sphere of influence in Eastern Europe would be broken up.

Adenauer argued that the integration of the economic, military and political might of the West would strengthen its bargaining position as against the Soviet Union and thus facilitate the realization of these goals. He speculated about uprisings in Eastern Europe that would work in the same direction. But whatever the likelihood of achieving these things in this way, the integration of West Germany in the West had important advantages, i.e., opportunities for West German business in the capitalist countries and their spheres of influence, and for West German political leaders to be active in Western affairs. 36

From the point of view of the United States, West Germany's mission was to aid in arresting the expansion of the Communists in Europe and, possibly, to help destroy the Soviet sphere of influence in Eastern Europe and open the way to American penetration. This purpose (as well as the desire to create markets for its industrial production) had stimulated the United States to

<sup>&</sup>lt;sup>23</sup> Waldemar Besson, *Die Aussenpolitik der Bundesrepublik* [The Foreign Policy of the Federal Republic], (Munich: R. Piper & Co. Verlag, 1970), pp. 122-34.

<sup>&</sup>lt;sup>24</sup> For a discussion of these remarks, see Alfred Jüttner, *Die deutsche Frage* [The German Question] (Cologne: Carl Heymans Verlag, 1971), chap. 8.

<sup>&</sup>lt;sup>25</sup> *Ibid.*, p. 334.

<sup>&</sup>lt;sup>26</sup> Besson, op. cit., pp. 108, 122-24.

make loans to Western Germany under the Marshall Plan and thus facilitate the latter's economic recovery.<sup>27</sup> It was the reason for America's willingness to give up its right of occupation and grant West Germany a large measure of sovereignty in 1949 and more in May 1952. It explains, of course, the American eagerness to bring about the rearmament of the West Germans.<sup>28</sup>

Although the purposes of West Germany and the United States coincided to a considerable extent, West Germans could never be completely sure of American sympathy for their demands, because these entailed the risk of confrontations with the Soviet Union and the possibility of a Germany whose dynamism could make matters difficult for the USA. Furthermore, West Germany's economic future was tied to the Western star and fraught with uncertainty. Its standard of living was still low compared to that of most Western European countries and to what it had been in Germany before the war. An even more serious question was whether its earnings of dollars through foreign trade would be sufficient. To be sure, there were encouraging signs: its industrial production had been increasing by leaps and bounds since the middle of 1948, when the Marshall Plan went into effect, and in April 1951 the Allies had lifted the restraints upon the production of steel and other strategic materials. But the United States had refused to reduce its barriers to European imports and might well have raised them. It was pressing the Western Europeans to produce armaments which would shift their industries away from producing goods for export or consumption. And at the London Debt Conference which began in February 1952, creditors, the foremost being the United States, were insisting that the Federal Republic pay both Germany's enormous pre-war debts and its Marshall Plan debts. 29 Undoubtedly these considerations made it difficult for the West Germans to disregard the United States' demands or "earnest solicitations" on any matter of importance. As to the question of payments to Israel, there is every evidence of such urgings and of their effectiveness.

On March 12, 1951, Israel delivered notes to the Allied Powers in which it demanded that they should not transfer sovereignty to any German government without expressly resolving the matter of reparations to Israel. The amount of reparations demanded was \$1.5 billion.<sup>30</sup> The Soviet Union did not reply. The United States, England, and France stated that they

<sup>&</sup>lt;sup>27</sup> Richard M. Freeland, *The Truman Doctrine and the Origins of McCarthyism* (New York: Knopf, 1972), chaps. 4 and 6 passim.

<sup>28</sup> Besson, op. cit., chaps. 5 and 6 passim.

<sup>&</sup>lt;sup>29</sup> Balabkins, op. cit., pp. 76-80, 125-28.

<sup>30</sup> For the text of the note, see Vogel, op. cit., pp. 29 ff.

were in sympathy with the Israeli claim, adding, however, that they could not "impose" the obligation (the English note speaks of the "task") upon West Germany. <sup>31</sup> A commentator on these events has remarked that "apart from sympathy Israel got no effective support." These governments "abstained from any direct action to further Israel's claim against Germany." <sup>32</sup>

Nevertheless, that the Western powers wanted to see West Germany make payments to Israel was made perfectly clear. In October 1950, these states and some others had demanded that the Federal Republic assume the debts of the Third Reich. On May 6, 1951, the Federal Republic acknowledged its responsibility for them. At the London Debt Conference where these obligations as well as the repayment of the Marshall Plan loans were discussed, West Germany sought a reduction of its debts. It argued that a burden of such magnitude lay beyond the strength of its economy. Now, notwithstanding the interest of the creditors at the London Conference in taking precedence over any later creditor, they allowed the Zionists to come to terms with the West Germans as to the amount, form and time of payments before they themselves settled with the Federal Republic. They even agreed to a substantial reduction of the debt which was owed to them. And, according to Goldmann, the Americans exerted influence upon the West Germans through John McCloy, the High Commissioner in Germany, to bring about a settlement which more nearly approximated the Zionist than the West German bargaining position.33

West Germany's role in the Cold War carried with it a great economic and political dependence upon the Western Powers and particularly the United States. The country was also hypersensitive to Zionist demands. In his memoirs Adenauer wrote:

It was clear to me that, if the negotiations with the Jews failed, the negotiations at the London Debt Conference would also run aground, because Jewish banking circles would exert an influence upon the course of the London Debt Conference which should not be underestimated. On the other hand it was self-evident that a failure of the London Debt Conference would bring about a failure of the negotiations with the Jews. If the German economy was to achieve a good credit standing and become strong again, the London Conference would have to be ended

<sup>&</sup>lt;sup>31</sup> B. Ruhm von Oppen, ed., *Documents on Germany Under Occupation*, 1945-1954 (London: Oxford University Press, 1955), pp. 34-37, cited in Balabkins, op. cit., p. 88.

<sup>32</sup> Balabkins, ibid.

<sup>&</sup>lt;sup>38</sup> See Foreign Office of the Federal Republic of Germany (ed.), *Die Auswärtige Politik der Bundesrepublik Deutschland* [The Foreign Policy of the Federal Republic of Germany] (Cologne, 1972), pp. 234-38; see Goldmann, *op. cit.*, pp. 324-28.

successfully. Only then would our economy develop in a way that would make the payments to Israel and the Jewish organizations possible.

(Yet on the pages immediately before and after this passage he asks us to believe that moral considerations — or these "above all" — had generated the decision.) 34

While Goldmann assured Adenauer that he was "deeply impressed" by the latter's recognition of Germany's moral obligation to Israel, he made blunt threats of dire consequences in the event that the Zionists' terms were not met:

The violent reaction of the whole world, supported by wide circles of non-Jews, who have deep sympathy with the martyrdom of the Jewish people during the Nazi period, would be irresistible and completely justified.<sup>35</sup>

Zionists talked with the American President himself as well as with the heads of other Western governments, urging them to bring their influence to bear upon the Federal Republic.<sup>36</sup> The London *Jewish Observer* remarked: "The whole material weight of World Jewry will be mobilized for an economic war against Germany, if Bonn's offer of reparations remains unsatisfactory." <sup>37</sup> The insistent voices of Jewish nationalists in the mass media of the United States and other countries vital for West Germany's aims and interests could not have been ignored in Bonn.

After the treaty had been signed and the Arabs' objections voiced with considerable force, the Bundesverband der deutschen Industrie (Confederation of German Industry) expressed the opinion that it would be regrettable if the treaty should result in a loss of German trade with the Arab states. "The Bundesverband is pleased that the Federal government has acted upon the suggestion of the President of the BDI in sending a German economic delegation to Cairo to negotiate with the Arab states." At this point, however, it made efforts merely to console the Arabs with verbal promises of "better economic relations." German capitalists still saw their interests lying above all in obtaining economic advantages from the West, and through integration of West Germany into the Western Alliance, and accepted the need to align their policies elsewhere in the world with those of the West.

<sup>&</sup>lt;sup>34</sup> See Adenauer, op. cit., pp. 140-42.

<sup>35</sup> See Vogel, op. cit., p. 53.

<sup>&</sup>lt;sup>36</sup> Goldmann, op. cit., pp. 324-28; Balabkins, op. cit., p. 152.

<sup>&</sup>lt;sup>37</sup> Joachim Kreysler and Klaus Jungfer, *Deutsche Israel-Politik* [German Policy to Israel] (Munich, 1965), p. 33.

#### 4. German Public Opinion and the Reparations Agreement

The voting on the Israel treaty in the Bundestag resulted in 238 votes for, 34 against and 86 abstentions. The leader of the Christian Democratic Union, which had 31 percent of the seats, announced that his party approved of the treaty. The leaders of the Free Democratic Party (11.9 percent) and the German Party (4 percent), which also belonged to the coalition government, said that, except for some dissenting members, they too wanted to see the treaty ratified. The Social Democratic Party (29.2 percent) supported it. The Bavarian Party (4.2 percent) abstained from voting. The Communist Party (5.1 percent) and the representative of the German Reich Party, which had recently been declared illegal by the Federal Constitutional Court, expressed hostility to the treaty. Twelve percent of the Bundestag did not belong to any of these parties. 38

The party leaders who spoke in favour of the treaty talked about Germany's moral obligation and honour. None of them added any new arguments to the ideas that Adenauer and Böhm had spread. The characterization of the government's motives that came closest to the truth was that of the Communist Party, which accused the government of yielding to American pressure and trying to secure economic benefits for West German industry.

Almost the entire West German press is said to have acclaimed the government's plan to build up Israel's infrastructure. What accounts for this support is a matter that still requires investigation. As to the public opinion which was expressed in polls, the Allensbach Institute found that 67 percent of the population had heard "of the negotiations between Germany and Israel concerning reparations for the Jews," while 33 percent had not. A further question was put: "Should Germany pay Israel 3 billion marks in commodities as reparations, or do you consider this superfluous?", and the persons questioned were asked to choose one of four answers. The first possible answer — "It is superfluous" — was chosen by 44 percent. The second answer — "Yes, but the sum is too high" — was given by 24 per cent. The third — "Yes" — was chosen by 11 percent. Twenty-one percent said they were "Undecided." 39

<sup>38</sup> The speeches referred to in the text are printed in Vogel, *op. cit.*, pp. 76 ff. The figures given for the voting power of the parties are taken from Wolfram Hanrieder, *Die stabile Krise* [The Stable Crisis] (Düsseldorf: Bertelsmann Verlag, 1971) p. 138.

<sup>&</sup>lt;sup>89</sup> See Kurt Grossmann, *Die Ehrenschuld* [The Debt of Honour] (Berlin: Ullstein Verlag, 1967), pp. 55-56; see Elisabetz Noelle and Erich Neumann, *Jahrbuch der öffentlichen Meinung 1947-55* [Year Book of Public Opinion, 1947-55], (Allensbach: Institut für Demoskopie, 1956) p. 128 and "Bericht des Allensbacher Instituts vom September 1952 über das Abkommen mit Israel."

But there is reason to doubt that these results really reflected public opinion. It is remarkable that the set of answers which the Institute presented did not include any answers which constituted arguments for the treaty and that it contained only one argument against the treaty ("It is superfluous"). One wonders what kind of results would have turned up if the persons questioned had had an opportunity to give certain other answers, for example, the official rationale of the Federal Republic, that Israel should be compensated for the expenses it had incurred in absorbing Jewish refugees. This would have made it quite clear that the payments to the state of Israel were in addition to the compensation to individual Jews who had been persecuted. Let us recall how the Institute formulated the first of the two questions which we are considering: it referred to negotiations with Israel concerning reparations "for the Jews." Furthermore, 33 percent of those questioned had never heard about these negotiations with Israel. And one can tell from reading the "literal answers" which the Institute collected that some of the persons who gave affirmative answers were thinking of individual reparations. For example: "Those who were injured must be compensated." It is remarkable that the answer "But only for the old and sick Jews who suffered" was interpreted by the Institute as meaning "yes, but the sum is too high." The results of the poll might also have been quite different if the Institute had provided an answer expressing the real reason why the Federal Republic made this treaty, namely to secure certain economic and political advantages. Finally, the only argument against the treaty which could have been chosen — "It is superfluous" detracted attention from still more weighty arguments.

## 5. MILITARY AID FOR ISRAEL

It became a matter of common knowledge in the fall of 1964 that West Germany had been training Israeli soldiers and supplying Israel with weapons. Up until then these activities had been kept secret. The Frankfurter Allgemeine reported that the West German government had promised to deliver 50 aircraft, 150 American tanks, 2 submarines, 6 speedboats and a number of trucks, anti-aircraft rockets and anti-tank rockets. The submarines, speedboats and some of the promised tanks had not yet been shipped. "Government circles" admitted that the weapons actually delivered were worth 250 million German marks. According to the writer of the article, such weapons were much more expensive than that. When the shipments were stopped, a

spokesman for the Federal Republic stated that 70 percent of the undertaking had already been fulfilled.<sup>41</sup> It is quite clear that Israel did not have to pay for this military assistance.<sup>42</sup>

A closer look at the aspect of secrecy shows that the circle of insiders on the German side was limited to the cabinet, two M.P.'s from each of the three parties in the Bundestag and, of course, military experts. The concealment of the transaction from the rest of the Bundestag and the President in fact violated the Basic Law of the Federal Republic; political treaties require the consent of the Bundestag and ratification by the President. The West German people as a whole was kept totally unaware of this question despite its undoubted importance.<sup>43</sup> As for the Arab states, this duplicity occurred at a time when they had already established diplomatic relations with the Federal Republic and — out of regard for West German wishes — had refrained from recognizing the German Democratic Republic! Moreover, in December 1957, the government of the Federal Republic had solemnly declared that it would not do anything that might worsen the strained state of relations in the Middle East.<sup>44</sup>

The Israelis put out their first feelers for West German arms in 1957.<sup>45</sup> The exact date of the initial agreement between West Germany and Israel concerning military aid is still unknown; some put it as early as March 1960—others in 1962.<sup>46</sup> A second agreement for the supplying of weapons was reached in the summer of 1964.

What was the motive in granting this military aid? Two members of Adenauer's cabinet, Franz Josef Strauss, who as Minister of Defence negotiated the transaction, and Ludwig Erhard, claimed that they had been "apprehensive of Israel's safety." Erhard said in a speech before the Bundestag on February 17, 1965: "We owe nobody an explanation for our support of Israel in its fight for its existence." He asserted that the arming of Egypt

<sup>41</sup> Seelbach, op. cit., p. 131.

<sup>&</sup>lt;sup>42</sup> Nasser spoke repeatedly of the weapons deliveries as gifts. Archiv der Gegenwart, February 20, 1965. This was not denied by the West German government. Gerhard Schröder, the Foreign Minister of the Federal Republic, stated on February 28, 1965, before the Committee on Foreign Affairs of the Bundestag: "The state of Israel has not paid for the weapons that were delivered. No treaty with Israel has been made regarding payment for these weapons." Archiv der Gegenwart, February 28, 1965.

<sup>43</sup> Seelbach, op. cit., pp. 154-58.

<sup>44</sup> Ibid., p. 102.

<sup>&</sup>lt;sup>45</sup> See Archiv der Gegenwart, February 20, 1965, p. 11702.

<sup>46</sup> Compare, e.g., Seelbach, op. cit., pp. 106-107 with Vogel, op. cit., p. 135.

by the Communists had been on an enormous scale.<sup>47</sup> Strauss remarked in an interview:

It is not for us to judge the matter of the establishment of the state of Israel or the United Nations resolution or to interpret the latter. The state of Israel exists now and a part of the Jews of the world have found a new home there and have made great achievements in the task of construction. Many threats have been expressed against this state and its people, threats from a hostile environment, to conquer this state some day and liquidate its people. If the Federal Republic can make a modest contribution to peace in the Near East..., that will be an act of reparation in an area in which grave sins have been committed in the German name... I was moved by the desire that military actions should neither be undertaken by the Israelis — who could not pursue a policy of this kind without risking self-destruction — nor by the Arabs. 48

But this air of lofty purpose cannot really be taken seriously. At any of the times when the weapons deals were being discussed, there were current reports from authoritative United Nations sources indicating that Israel through its large-scale military operations and in other ways had committed really serious violations of the armistice and was chiefly responsible for the tension that existed on the borders. <sup>49</sup> Certainly the Middle East experts in the Foreign Office knew all about these reports. In Adenauer's explanation of the transaction, which will be discussed below, there is also nothing about safeguarding Israel's existence.

It appears more probable that the circumstances which had led to the initial treaty with Israel, and then persisted into the 1960's, had also forged the military aid transaction. Above all the Germans still had to reckon with the desires and pressures of the United States. The American government had admitted that it had a part in the transaction, which involved American tanks, <sup>50</sup> and there is very good evidence that it also influenced the first of the German decisions on this question. Adenauer told a meeting of the Christian Democratic Union that there had been "pressure from a friendly power." <sup>51</sup> Moreover, it is hard to believe that West Germany, which was so closely allied to the United States in NATO, would interfere in the Middle East militarily without consulting the United States. West Germany required complete American

<sup>&</sup>lt;sup>47</sup> See Archiv der Gegenwart, February 20, 1965, pp. 11698-99.

<sup>48</sup> See Vogel, op. cit., pp. 139-140.

<sup>&</sup>lt;sup>49</sup> See Von Horn, note 6 above.

<sup>&</sup>lt;sup>50</sup> Frederick Gerlach, *The Tragic Triangle* (Columbia University Dissertation, 1971), p. 270.

<sup>&</sup>lt;sup>51</sup> Archiv der Gegenwart, February 20, 1965, p. 11702.

support for its own German policy of the Hallstein Doctrine, threatening to break off relations with any state that recognized the German Democratic Republic. It also rejected proposals for the confederation and neutralization of the German states, and was unlikely to do anything to weaken American support for its position.

Another important motive for the West German decision was surely the threat of harm to its "new" image by the mass media of the West. Since mid-1957, when Israel changed from its previous position and let it be known that it wanted diplomatic relations with the Federal Republic, the West German government was being charged with moral turpitude because of its failure to make a corresponding offer. 52 Towards the end of 1959 a wave of incidents like the toppling of gravestones in Jewish cemeteries and the painting of swastikas on synagogues took place in West Germany as well as elsewhere in Europe. The President of the Bundestag, Eugen Gerstenmaier, remarked that, according to certain findings, the tabooing of everything Jewish and the exaggerated reaction to anti-Semitism had incited young rowdies to do such things. "They know perfectly well that the easiest way to make the citizens and public opinion highly nervous is through provocations in the form of anti-Semitism."58 Because of the capture of Eichmann and his trial in Israel, West Germany was open to the full force of Zionist propaganda. His capture was made public in May 1960 and the trial lasted from April 11 to August 14, 1961. Newspaper readers and television viewers were confronted daily with details of the Nazi atrocities, and the questions were aired over and over: Are the Germans really conscious of their guilt? Have they changed? The point was made bluntly enough that an affirmative answer would depend upon the Germans' contribution to the strengthening of Israel.<sup>54</sup>

It has been asserted that at this point Adenauer and Ben Gurion made an explicit deal: in exchange for weapons Ben Gurion would acknowledge (which he in fact did) that the Federal Republic and the Third Reich were two different things and he would withdraw his demand that Adenauer's adviser, Hans Globke, who had written a commentary on the National Socialist racial laws, testify at the Eichmann trial. <sup>55</sup> Although no conclusive evidence of such a bargain exists, it is intrinsically plausible. However, although the de-

<sup>&</sup>lt;sup>52</sup> Seelbach, op. cit., pp. 114-16.

<sup>53</sup> See Vogel, op. cit., p. 265.

<sup>&</sup>lt;sup>54</sup> See Inge Deutschkron, *Israel und die Deutschen* [Israel and the Germans] (Cologne: Verlag Wissenschaft und Politik, 1970), pp. 150 ff.

<sup>55</sup> Seelbach, op. cit, p. 106.

cision had disagreeable aspects for the Federal Republic — it cost money, and even more important, it created a risk that the Arab states would recognize the GDR — something more than a reaction to pressure may have been involved. Adenauer, in his memoirs, wrote that he had regarded the spread of communist influence as the most important consideration in Middle East politics. He asserted that the Russians had sent weapons there for their own future use and that they intended to establish a base from which they, with the help of the communist parties of France and Italy, would conquer all Europe. Symptomatic of his point of view is the passage in which he discusses the war against Egypt in 1956: the motivations of the British and French were not really evil. France was not fighting to hold on to a colony; Algeria had been part of France since the mid-nineteenth century. Nasser had supported the revolution by sending weapons to Algeria. The British were not attempting to create a colonial sphere of influence; they were trying to keep Nasser from attaining a position from which he could cut off their supply of oil. The most significant aspect of the Suez Canal problem was the intrusion of the Soviet Union. The Russian threats against France and England were the most monstrous thing ("das Ungeheuerlichste") that had happened in diplomatic history for a long time. 56 Israel's importance in this scheme of things is implied in his further remarks that if a conflict were to break out between the Soviet Union and the West, the Arabs would very probably side with the Soviet Union.

#### 6. The Events of 1965

Following the discovery that West Germany was giving munitions to Israel, a number of events occurred in rapid succession: in January 1965 President Nasser invited Walter Ulbricht, Chairman of the Council of State of the GDR, to visit Cairo. Either of two events that occurred toward the end of 1964 could throw some light upon this invitation. First, the President of the Bundestag, Gerstenmaier, had visited Nasser and proposed the discontinuance of military aid to Israel in exchange for Egypt's acceptance of the recognition of Israel by West Germany, but no agreement was reached. Secondly, the Soviet Union agreed to provide the Egyptians with important economic aid. <sup>57</sup> Chancellor Erhard then stated that the appearance of Ulbricht in Cairo would seriously

<sup>&</sup>lt;sup>56</sup> See Adenauer, *Erinnerungen 1955-59* [Memoirs, 1955-59] (Stuttgart: Deutsche Verlagsanstalt), pp. 55-59 and chap. 8, esp. pp. 227-28.

<sup>&</sup>lt;sup>57</sup> Wolfgang Wagner, "Der Rückschlang der Bonner Politik in den arabischen Staaten" [The Setback for Bonn's Policy in the Arab States], *Europa Archiv*, 1965, pp. 359 ff., 361-362.

affect the relationship between the Federal Republic and Egypt. Nasser countered by threatening to recognize the GDR if West Germany sent any more weapons to Israel. Finally, on February 12, 1965, Erhard announced that the Cabinet had decided to stop supplying weapons in areas of tension, adding that he desired to compensate Israel in a non-military way for the weapons which he was holding back.

As I have sought to show, all the various kinds of support that Israel had been receiving from West Germany had been given in expectation of a quid pro quo, namely help in the realization of a number of political and economic goals, one of the foremost being the isolation of East Germany. But it now appeared that states were not being kept from the wrong side of the German fence, but were instead being pushed over it. To avert a major diplomatic setback, the West Germans were forced to modify their Middle East policy. They probably thought that the costs of backing down would be manageable. Since the United States' chief purpose — concealing its own role from the Arabs — had been frustrated, it apparently was not much adverse to filling the breach that the Germans had left. Of course, as was to be expected, the reaction of the Zionists would be bitter. At that time, they were already complaining heatedly because of the reluctance of the West German government to prosecute war criminals for crimes committed more than twenty years earlier. 58 But the West Germans might have assumed that a large money payment to Israel would defuse much of the antagonism in the mass media of the other Western countries. Moreover, neither the political parties nor the press in West Germany urged the prolongation of the munitions entanglement.<sup>59</sup>

Within a short time, West Germany flung itself unexpectedly once more into the Palestine conflict. On March 7, 1965, the government announced its intention to establish diplomatic relations with Israel. It also resolved neither to give any further credit or technical aid to the UAR nor to underwrite any loans that German businessmen might desire to make to the UAR.

"The only reason for our action," said Erhard, "was the invitation of the Egyptian president to Ulbricht." He asserted that the visit, which lasted from January 24 to February 2, amounted to "a de facto recognition of the Pankow regime." "A nation which is struggling for its reunification and self-determination cannot simply take that without doing something about it.... He [Nasser] has also furthered the communist cause." 60 A commentator of the

<sup>&</sup>lt;sup>58</sup> For a discussion of this topic, see Seelbach, op. cit., pp. 118-22.

<sup>&</sup>lt;sup>59</sup> *Ibid.*, pp. 124-25.

<sup>60</sup> See Archiv der Gegenwart, April 21, 1965, p. 11803.

time has expressed the opinion that something else had moved Bonn to recognize Israel. It had covered itself with ridicule by bringing the weapons deal to an end without obtaining a corresponding concession from the Arab side and now felt impelled to regain its prestige.<sup>61</sup>

If Erhard had simply broken diplomatic relations with the UAR and refused further aid to it, his sanctions would doubtless have been nothing more than an application of the Hallstein Doctrine. But the decision to recognize Israel does not fit so readily into this scheme of things. Erhard's emphatic assertion that the decision was a reaction to Cairo's de facto recognition of the GDR, and the fact that it was announced along with the decision concerning economic aid should not be given too much weight. What is remarkable is that the recognition of Israel went beyond the original threat of the Hallstein Doctrine, although nothing seemed to indicate that an escalation of the Hallstein Doctrine was necessary to ward off potential advances towards the GDR. As to the effect of this measure upon the disposition of the Arab states to recognize the GDR, it is obvious that the Federal Republic had given up an important counterweight.

The explanation that Erhard sought to retrieve lost prestige may well be correct. Until March 6, the deliberations in the cabinet apparently revolved about the question whether the Federal Republic should break off diplomatic relations with the UAR. Erhard and several ministers were in favour of a breach. Rainer Barzel, the leader of the Christian Democratic Union and the Christian Social Union in the Bundestag, and Walter Hallstein took the same position. But Foreign Minister Gerhard Schröder, and the ministers from the Free Democratic Party, which was the smaller party in the government coalition, were opposed and the ambassadors of France, England, and the United States earnestly recommended that the Federal Republic maintain its position in Cairo. 62 How far the question of Israel played a role at this stage is not clear. 63 On March 6 Barzel, who had just returned from the United States where he talked with government and Zionist leaders, now urged a stronger solution—that Israel be recognized. Erhard announced his decision the next morning.64 Thus the decisive influence seems to have come from Barzel's trip.

<sup>61</sup> See Wagner, op. cit., p. 369.

<sup>62</sup> Ibid., pp. 365-66.

<sup>63</sup> See Gerlach, op. cit., pp. 327-29.

<sup>64</sup> Wagner, op. cit., pp. 365-66.

The question now arises as to the significance of these events for the balance of power in the Palestine conflict. The recognition of Israel carried with it the breach of diplomatic relations between the Federal Republic and the Arab states (except Tunisia, Morocco and Libya), and the breach lasted for seven years. Undoubtedly, the lack of diplomatic relations retarded any reconsideration of the decision against further economic aid for development (which, of course, affected not only the UAR but all of the states that had broken with Bonn). What was lost absolutely and in relation to Israel can only be roughly estimated. Since 1950, the states immediately involved in the conflict with Israel had received approximately the following amounts (in millions of German marks) as credits or technical aid: Egypt 367, Jordan 107 and Syria 31.65 The greater part of the aid to Egypt was made available in 1963.66 The Federal Republic had also guaranteed private loans to Egypt which came to about 550 million German marks.<sup>67</sup> The Palestine refugees were granted about 22 million German marks between 1952 and the end of 1968. As of 1969, they have received about 10 million marks each year.<sup>68</sup> Aside from the payment of three billion marks to Israel between 1953 and the spring of 1966, the Federal Republic has acknowledged that it has given Israel about 140 million marks a year in credit since 1966. It has been shown, however, that in this period Israel received at least an additional 60 million German marks a year. 69 The government, however, refuses to give any further information on aid to Israel. The Ministry for Economic Cooperation answered my request for such information with the following words:

I cannot give you any figures about economic or other aid to Israel; because of their form and the special conditions in the relationship between the Federal Republic and Israel, they would not allow for a direct comparison [with aid to the Arabs] anyway.<sup>70</sup>

Surely, the disparity in the amounts given to the two sides up to 1965 was so great that the continuation of aid to the Arabs thereafter would not have affected the overall difference very much.<sup>71</sup> Nor is it safe to assume that

<sup>&</sup>lt;sup>65</sup> Letter from the Federal Minister for Economic Cooperation to Kenneth M. Lewan, July 5, 1973.

<sup>66</sup> Süddeutsche Zeitung, March 1, 1973.

<sup>&</sup>lt;sup>67</sup> Frankfurter Allgemeine, February 20, 1965.

<sup>&</sup>lt;sup>68</sup> John F. Defrates, "UNRWA, The Federal Republic of Germany and the Palestine Refugees," *Orient*, September 1972, p. 124.

<sup>&</sup>lt;sup>69</sup> See *BRD*, *Israel and die Palästinenser* [The Federal Republic, Israel and the Palestinians] (Cologne: Pahl-Rugenstein Verlag, 1973), p. 60.

<sup>&</sup>lt;sup>70</sup> Letter from the Federal Minister for Economic Cooperation to Kenneth M. Lewan, June 6, 1973.

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the current aid to the Arabs would have approximated the current grants to Israel. The concealment of important facts by the West German and Israeli governments "would not allow for a direct comparison," but it is ample ground for the belief that something was indeed being withheld which could only emphasize the great difference between the aid given to Israel and that to the Arabs in any circumstances.

<sup>&</sup>lt;sup>71</sup> This holds for West German investments too. See the report of the Federal Economics Minister, September 26, 1973 (VC5 - 740187).