

Israel makes China connection official

by Michael O. Billington and Joseph Brewda

The open "secret" of Israeli military support to the communist dictatorship in mainland China has now been effectively acknowledged. Amidst much fanfare in the press, an Israeli trade delegation headed by the chairman of the board of Israeli Military Industries (IMI), Gen. Dan Shomron (who is also the former chief of staff of the Israeli Defense Forces), visited Beijing for 11 days at the end of November. It was simultaneously announced that Israeli Defense Minister Moshe Arens had secretly visited Beijing Nov. 4-8. Both governments are reporting that official relations are expected to be established in a matter of months.

This public diplomacy comes at a time when the Bush administration has been publicly exerting pressure on the President's "old friends" in Beijing over several issues, including trade, demands for joint action against China's ally North Korea, and, in particular, demands that China cease missile sales to the Muslim world.

Since it is well known that Israeli arms sales are largely "pass-along" technology from the United States, and since the Israeli ties to the People's Republic of China are known to be fully supported by Washington, the timing of the Israeli move serves to notify Beijing that the British and American support for the bloody regime will continue, despite the Bush administration's public clamor against them.

The role of Shaul Eisenberg

Israeli relations with Beijing center around the shadowy figure of Shaul Eisenberg. An Austrian Jew raised in Shanghai, Eisenberg spent World War II in Japan and married the heir to Japan Air Lines. He established close relations with the British and the Israelis, and in 1968 Israel passed the "Eisenberg laws," which decreed that Eisenberg's firms were exempt from taxes. Eisenberg became an Israeli citizen and a Mossad official, while remaining primarily in Asia. In the spring of 1983, he brokered a series of huge joint ventures in China with European and American firms. His own work centered in Yunnan Province, where he launched a \$6 billion coal development project. Yunnan, although the center of the Golden Triangle opium production, is not known for coal production.

In 1985 Eisenberg arranged the first official Israeli delegation to China from the Ministry of Agriculture, then under

the direction of Ariel Sharon. His friend (and now business partner) David Kimche was then head of the Foreign Ministry, and was at that time deeply involved with Oliver North in the Iran-Contra transfer of arms through Israel to Iran.

The British *Sunday Times* in April 1988 revealed that Eisenberg, Kimche, and others were brokering arms and military technology to the P.R.C. through Israel, while Chinese arms were going to Iran as part of the Iran-Contra deal, organized by the same crew. A five-member team from Israeli Military Industries (the same IMI that is heading the current trade delegation) traveled secretly to Beijing in November 1987, expanding the contract to include advanced warheads, such as trajectory-corrected and laser-guided missiles. The story was blown when the Israeli "middleman" for IMI, Zvi Gafni, was arrested on drug charges in Hong Kong the following month.

This operation was further exposed during the U.S. Congress's Iran-Contra hearings, when a memo to Oliver North from an official of Geomilitech, a Mossad-linked arms dealership run by Gen. Jack Singlaub, was made public. The memo outlined the operation for China to supply weapons through Israeli brokers to Iran, the Contras, and others, in exchange for Israeli upgrading of Chinese military equipment, all based on U.S.-supplied technology and credit to Israel.

This same Eisenberg-centered network also figured prominently in the decision by the government of Saudi Arabia to transfer its recognition from Taiwan to mainland China, in exchange for advanced Chinese missiles, a deal that was worked out in the same month, November 1987, as the Israeli-Chinese deal. The public clamor from Israel over the Saudis' access to missile technology has subsequently been shown to be pure public relations, covering for Israel's actual role in Great Britain's "balance of power" strategy of divide-and-conquer toward its Muslim neighbors.

The drug connection

While the role of drug trafficking in the Central American side of the Iran-Contra arms deal is now regularly covered in press accounts, the Chinese drug story is carefully concealed behind the "clean, reform-minded" image which Bush and Kissinger have tried to provide for their friends in Beijing. However, the free trade zone policy of the People's Republic has facilitated the vast expansion of drug flows and drug-money laundering through the Chinese coastal cities, with production centered in Eisenberg's Yunnan Province and in neighboring Burma.

The historical interface of global arms shipments, drugs, and gems are all present in the composition of the new Israeli-Chinese agreements. Joining IMI chief Shomron on the recent delegation was the head of the Israeli Diamond Exchange, as well as the heads of Leumi and Company (Israel's largest investment bank), Dead Sea Bromide (Israel's largest chemical exporter), and El-Al Airlines.