

by an additional \$2 billion».⁶⁹ Compare this rapid growth with the 24.5 percent *decline* in diamond exports in 1981; the diamond labor force shrank by one-third in 1980.⁷⁰ In the same period chemical and plastics exports declined 4.9 percent and textiles 17 percent.⁷¹ But electronics, machinery, and metal products, i.e. weapons, grew by 25.7 percent.⁷² Until recently Israeli arms exports were doubling every other year.⁷³

Until 1971 Israeli arms production was mainly ammunition for small arms and parts for repair of foreign-produced equipment. Supposedly, the original reason for the rapid shift into broad-based production was to reduce Israeli reliance on foreign suppliers.⁷⁴ However, in 1976 the Israeli Defense Ministry had to cut back purchases of domestic weapons because of a requirement that the \$1.6 billion in American military assistance that year be spent in the United States. The Israelis shifted to export production though \$1.5 billion was later released to be spent for Israeli-produced weapons.⁷⁵

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