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Israeli Reportedly Set Up First U.S.-Iran Arms Deal

Approach Seen Prompted by Tehran Power Struggle

By Glenn Frankel
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JERUSALEM, Nov. 18—The first secret delivery of arms to Iran authorized by the White House was brokered through an Israeli arms dealer to senior Iranian Army officers embroiled in a power struggle with radical Revolutionary Guards, according to knowledgeable Israeli sources.

The rivalry between the two Iranian groups was so intense that the first shipment of arms sent from Israel by cargo plane was intercepted at Tehran airport in September 1985 by officials of the radical group, who ringed the plane with armed guards and seized the supplies, the sources said.

As a result, the Iranian Army rerouted later air shipments to Tabriz and insisted that other loads come by ship to the military-controlled port of Bandar Abbas.

The Israeli sources, who insisted on anonymity, contended that Israel's role in the Iranian connection was merely that of a messenger, shuttling between Iranian contacts in Europe and the White House. But analysts here also contended that Jerusalem won an important policy victory in persuading the White House to adopt the Israeli view that Iran is a state of crucial geopolitical importance that should be cultivated and dealt with even while under the rule of a hostile fundamentalist Moslem regime.

Public exposure of the secret arms connection has led to a closing of contacts that the Israelis hope is temporary, sources said. They said they fear that by sending former national security adviser Robert C. McFarlane to Tehran, the White House overplayed its hand and caused the exposure by Iranian radicals seeking to sabotage any rapprochement with Washington.

The exposure has not led to any apparent political fallout here, unlike in Washington, where the Reagan administration is under heavy fire for its involvement. Part of the reason is that participants here included people tied to both of Israel's major political blocs and the government through military censorship has managed to prevent publication of most details of its role.

But a debate is brewing in government circles, with some officials criticizing the midstream transfer

of the handling of the Iranian connection from multimillionaire arms dealer Yacov Nimrodi, whom the Iranians first approached, and David Kimche, then top civil servant in the Israeli Foreign Ministry, to Amirani Nir, the counterterrorism adviser to Shimon Peres, who was prime minister then. Some are accusing Nir of suggesting that McFarlane travel to Tehran, while others contend that the decision, made in Washington, was strictly an American one.

There is also a fear, according to a few observers, that Israel compromised its sovereignty by allowing itself to be used by the White House to bypass both the Pentagon and the CIA. "It's like Israel has become just another federal agency, one that's convenient to use when you want something done quietly," one analyst said.

Israeli officials have maintained public silence on their role in the Iranian connection, citing a long-time policy of not commenting on arms sales. At the same time, however, Peres, who is now foreign minister, has sought to justify the Reagan administration's efforts to free American hostages and said Israel would have lent its support to this effort if asked to help.

But according to knowledgeable sources, the Iranian connection began not as an American attempt to free the hostages but as an effort by prowestern senior officers of the Iranian military to gain the upper hand against their radical foes in determining the course of the country's six-year war with Iraq. The stakes of the internal power struggle also involve the fate of a successor to the aging Ayatollah Ruhollah Khomeini and, ultimately, the future direction of Islamic Iran.

The military officers worked through Iranian exiles in Europe, including Manuchehr Ghorbanifar, a wealthy businessman who reportedly had served as middleman in several arms transactions and who

in turn contacted Nimrodi. He was Israel's defense attache at its Tehran embassy in the 1960s and maintained a close working relationship with the shah and with senior military leaders after he left government service and opened his own export firm.

Nimrodi, who speaks fluent Persian, described himself in 1982 as a seller of desalination equipment, but sources here say his main business was arms. He is well connected here politically: seven Cabinet ministers including Peres and former defense minister Ariel Sharon, a close friend, attended the wedding of his son last year, according to The Jerusalem Post.

Despite his identification with the shah and his public call in 1982 in a BBC television interview for a military coup against Khomeini, Nimrodi has managed to maintain sales during the Khomeini regime and was a major conduit for secret sales of military equipment and spare parts to Iran during the early 1980s, when Israel was publicly denying such sales took place.

Israel's Iranian connection dates back to the early days of the Jewish state, when the late prime minister David Ben-Gurion, faced with the intense hostility of Israel's Arab neighbors, advocated cultivating relationships with key non-Arab states on the Middle Eastern periphery, including Ethiopia, Turkey and Iran.

With the fall of the shah, Israel lost many of its economic assets in Iran as well as its intelligence network. But when Iraq launched the Persian Gulf War in September 1980, and Iran desperately sought spare parts and other materials for its U.S.-supplied armaments, Israel saw an opening.

Iraq, a hostile nation that had contributed battle-line troops to three Arab-Israeli wars, was considered a far greater threat to Israeli strategic interests. There were even fears here that once Iraq defeated Iran, it would turn its battle-hardened troops toward Israel, analysts said.

So Israel began supplying Iran, first with spare tires for U.S.-built jet fighters, and later with spare parts for planes and tanks, artillery and tank ammunition, light arms, antiaircraft and antitank missiles and other military hardware, all done through middlemen such as Nimrodi so that Israel could continue to say publicly that it was not selling weaponry to Tehran.

The Iranians at first appeared reluctant to deal with Israel. But after Iran was stung in 1981 in a \$58 million swindle involving a Syrian arms dealer and Brazilian suppliers, it turned more to the Israelis. Sources here say they are convinced that the transactions, which may have exceeded \$50 million a year, had the tacit approval of Khomeini.

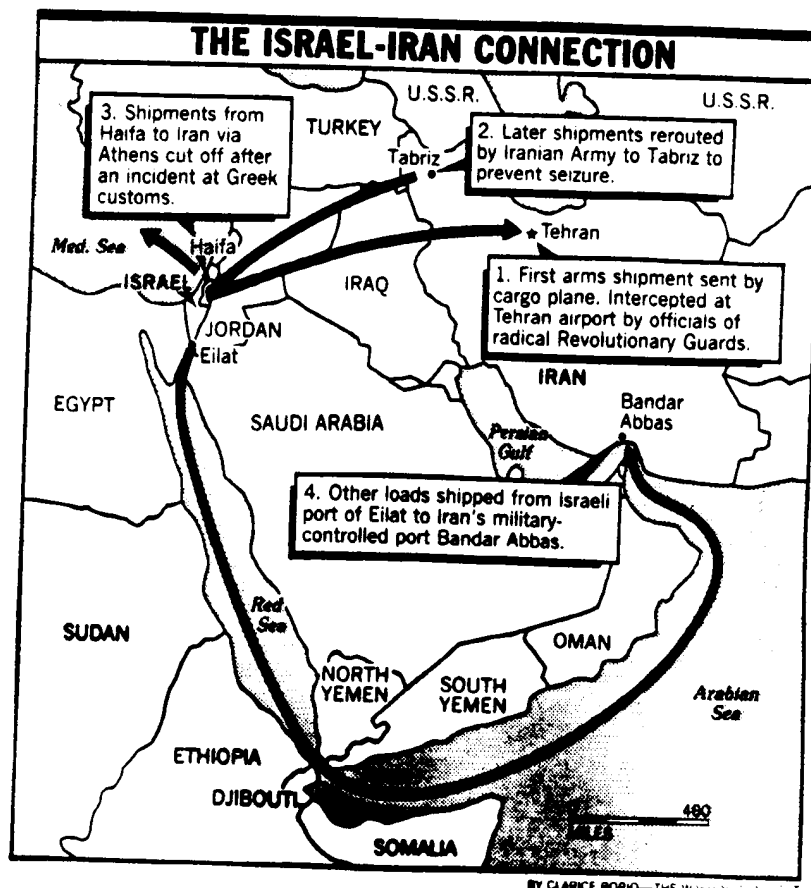
Under Alexander Haig Jr., the State Department winked at these sales, sources said. But when George P. Shultz became secretary of state in June 1982, he pressed Israel to honor the American embargo against arms sales to Iran of equipment made in the United States or manufactured in Israel using U.S.-supplied technology. Israel agreed to this request—but secretly encouraged private arms dealers to keep on selling.

"The Iran-Iraq War was a big bonanza as far as weapons sales were concerned," an informed source said. "Either you're part of that market or you're left out. So people put pressure on their governments to be lax about enforcing the regulations. That's the way it works. Even if a government's declared policy was to stop selling arms, things would have gone through the cracks."

Sources said Israel was just one of many western nations that profited from such sales. They also said that the sales had support from factions in the Pentagon and the U.S. intelligence community, and that the United States never developed a coherent overall approach to the Iran-Iraq conflict and Israel's support for Iran.

In June 1985, when the Iranian officers reportedly approached Nimrodi, the sources said, he went to Kimche. As deputy head of the Mossad spy agency before he entered the Foreign Ministry, Kimche was and old Iranian hand, like Nimrodi. Kimche reportedly approached Peres, who in turn approached the White House.

The Iranians wanted a resumption of American arms sales, sources said. The White House re-



fused, but agreed to allow Israel to pass on limited quantities of military equipment in return for the release of hostages in order to test whether their Iranian interlocutors were sincere and powerful enough to be worth dealing with.

Israeli sources said the items shipped to Iran from here during the last 18 months included Hawk ground-to-air missiles, spare parts for U.S.-made F4 Phantoms and F14 Tomcats, Sidewinder air-to-air missiles, ammunition and spare parts for tanks and artillery and TOW antitank missiles. It is not clear how much of this material was authorized by the United States, and how much of it was supplied by Israel under separate cover.

After the first shipments last September and the release of the Rev. Benjamin Weir from captivity in Lebanon, Nimrodi and Kimche were pushed aside and counterterrorism adviser Nir, a former journalist who reportedly has no specialized background in Iran, took control of the Israeli end.

The reason given was that Nimrodi could be accused of a conflict of interest since he was involved in arms sales to Iran at the same time he was helping to broker the American connection.

Under Nir's guidance, sources said, the shipments were switched from air to sea and were supposed

to travel from the port of Haifa to Athens, where bills of lading were to be altered, and then on to Iran by way of the Suez Canal.

Late last year, the sources said, the secret shipments were almost exposed when a Greek customs officer noticed the discrepancy between the lading bill and a crate he inspected. U.S. intelligence officials quickly intervened and prevented the matter from being made public, according to the sources.

But after that, shipments were originated from the Israeli port of Eilat to prevent such interception and the possibility that Egypt, which supports Iraq in the war, would be implicated and publicly embarrassed if the secret pipeline were disclosed.

Israeli analysts generally look at the Iranian connection as a valid policy vindicated by U.S. involvement.

"We're happy to see that on a variety of strategic issues—including your policy toward terrorism, toward Syria and toward the Iran-Iraq War—the United States is opting for the Israeli approach and toward greater cooperation with Israel on joint interests," said Yosef Olmert of the Dayan Center, a strategic think tank connected to Tel Aviv University.

But some analysts contend that there are two ways the Iranian connection could backfire politically on Israel: first, if Israeli arms end up in the hands of Shiite Moslem fighters in southern Lebanon, where the Iranian-backed Hezbollah is doing battle with Israeli troops; and second, if exposure of the connection leads to violence against the 30,000 Jews that Israeli officials say still live in Iran.