Our great grandchildren’s history books will probably list the 1982 invasion of Lebanon, the Jonathan Jay Pollard espionage affair, the Middle East peace talks and Washington’s refusal to grant Israel $10 billion worth of loan guarantees as major milestones in U.S.-Israeli relations during the Reagan and Bush administrations. Most likely forgotten, or consigned to the realm of “conspiracy theory,” will be the history of secret policies, covert operations, arms sales and cover-ups that appeared to the public as transitory scandals but, for the men at the top in both countries, may well have been the compelling dynamic of the relationship.

In foreign policy, what we saw—and thought we were voting for—was seldom what we got. Washington professed neutrality in the Iran-Iraq war while it cynically armed both sides, contributing to the war’s toll of one million casualties. Israel justified the billions of dollars of U.S. aid it received annually by portraying itself as a strategic asset in the struggle against the Soviet Union—and then it passed the U.S.S.R. sensitive U.S. intelligence!

In the face of scandals that would have brought any normal government down, the U.S. and Israeli governments resorted to deniability (an intelligence term for passing the buck) and they withheld incriminating documents on the grounds of “national security.” There is a striking resonance between this arrogant disregard for their electorates and the disregard for peoples’ needs that saw hunger, ill health and joblessness increase in both Israel and the U.S.

The covert dimension that so absorbed the Reagan and Bush administrations and the Israeli governments of the past decade had its roots in a longstanding arrangement between Israel’s intelligence agency Mossad and the CIA. The two agencies began working together in the 1950s, and during the 1960s the CIA gave Mossad $10-20 million a year to help it out in the Third World.¹ But during the Reagan years, the partnership was moved upstairs to the White House and the State Department and given both a new name, “strategic cooperation,” and official status under a series of agreements.²

After 1982, recalled David Kimche, who, as director of the Israeli foreign ministry, was Israel’s point man for strategic cooperation, the two governments “maintained, I must say, a very, very intimate dialogue on various parts of the world. We used to discuss what one should do in Third World countries, in the Middle East, et, cetera...”³

When it was discussed at all in public, the arrangement was always presented as Israel’s contribution to the Reagan administration’s crusade against communism, especially where Congress had forbidden official U.S. involvement (such as Nicaragua and Angola).⁴ But it was much more than that. Often, in fact, the covert partnership seemed more like a covert free-for-all, with the erstwhile partners indulging in contradictory sets of operations that seemed to be at odds with their own and each others’ interests.

IRAN, CENTRAL AMERICA
In 1980, seeking to take advantage of the turmoil following the overthrow of the Shah, Iraq invaded Iran. Israel used the opportunity of the ensuing war—which would exact over one million casualties by the time it was over in 1988—to resume the massive arms sales it had made to the Shah’s regime and to keep its two potential enemies wallowing in each other’s blood. To provide the Ayatollah Khomeini’s Iran with the U.S. arms on which the Shah had built his military, Israel turned to the Reagan administration, whose willingness to collaborate in supplying Iran went against the grain of its strict arms embargo of that country and its quiet support of Iraq. The tip of the iceberg of this bizarre policy was revealed in the Iran-contra scandal that erupted in 1986, when the administration admitted it had been shipping arms to Iran (to gain the release of U.S. hostages in Lebanon, it said) and using the profits to circumvent Congressional restrictions on U.S. aid to the anti-Nicaraguan contras. Because it only skated on the surface of events, the Iran-contra investigation left lingering suspicions of a cover-up in a population already disgusted with their political representatives.

The era began with the shipment of billions of dollars of arms to Iran. In an arrangement reached in 1981 by Israeli Prime Minister Menachem Begin and U.S. Secretary of State Alexander Haig, the Reagan administration reviewed and approved Israeli shipments of weapons to Iran, the “terrorist” nation administration officials publicly reviled.

According to two Reagan officials, arrangements were worked out during three meetings in December 1980 between David Kimche, then in transition from the number two spot in Mossad and the directorship of the Israeli foreign ministry, and Robert McFarlane, who would serve as an aide to Haig. Kimche and McFarlane became the official liaisons in the early days of “strategic cooperation.” Later, when McFarlane was the president’s national security adviser, they would coordinate the Iran-contra affair.

Maj. Gen. Avraham Tamir, who was a ranking official at the Israeli defense ministry at the time, told investigative reporter Seymour Hersh last year: “Every month we gave a list of American weapons and American spare parts we’d like to sell to Iran.” Tamir said that the lists were handed to the U.S. ambassador to Israel at the time, Samuel Lewis.

Following the appearance of Hersh’s report in the New York Times, Secretary of State James Baker acknowledged that the newly-installed Reagan administration (in which he served as White House chief of staff) “might very well” have approved the arms sales.

U.S. and Israeli officials interviewed by Hersh gave divergent answers, ranging from six to 18 months—about the duration of the Haig-Begin agreement. While the agreement was in effect, wrote Hersh, quoting former Israeli officials, some of the arms shipments were flown out of Marana Air Park near Tucson. The CIA has long used Marana as a covert air base. According to Pakistani officials and a former Israeli intelligence operative, Israeli operatives and the CIA moved massive quantities of weapons to Iran through Pakistan.

In an affidavit filed in a 1988 Texas lawsuit, Will Northrop, who claims to have served as a counterespionage specialist with the rank of colonel in Israeli military intelligence, says that in 1981 the CIA launched an operation called “VE/GOLF,” which involved shipping arms to Iran through brokers in Israel and elsewhere. In 1983, Northrop says in his affidavit, the Reagan
administration set up a second arms channel, “CONDOR/DEMAVAND,” to market arms from NATO stores and supply spare parts directly from U.S. manufacturers.  

Even after the Haig-Begin pact was terminated and Washington instituted an aggressive anti-smuggling program, the U.S. simply observed Israeli shipments to Iran and replenished Israel’s stock of the U.S. weapons it was selling. Reports detailing the Israeli sales—they came “literally daily,” according to a former high-ranking intelligence official in the Reagan administration—were routinely circulated to senior administration officials.

In March 1982, James L. Buckley, the under secretary of state for security assistance, science and technology, wrote to Sen. Charles Percy (R-IL), then chair of the Senate foreign relations committee:

In testimony before your committee February 5, you asked me about allegations that Israel has transferred to Iran US-controlled defense articles in violation of our 1952 Mutual Defense Assistance Agreement.

The administration has examined these allegations and has discussed them with Israel...

We continue to welcome any evidence concerning this or other allegations, but clearly cannot make judgments on the basis of press reports alone...

You can be sure we will continue to monitor this situation.

In the Texas lawsuit, two men who worked as contract agents for the U.S. Customs Service are seeking reimbursement for their expenses because, they claim, they could not get the service to prosecute Ian Smalley, one of Israel’s major arms dealers in the early Reagan years. The contract agents claim they were told by Customs officials “that if the Israelis were [found] to be in the picture, the entire [Smalley] investigation would be stopped by the State Department.” In 1983, when the two persuaded the Bureau of Alcohol, Tobacco and Firearms to take action against Smalley, they say a customs agent showed one of them a CIA message saying “the Israeli government had informed Smalley that they would kill the U.S. Attorney, Gary Howard and Ron Tucker [the two control agents] to prevent Smalley from going to trial.” When Smalley was ultimately tried, he was acquitted, because Gary Howard claimed, the Justice Department pulled its punches.

The Reagan administration also chose not to prosecute two U.S. Army colonels who sold arms to Iran from their U.S. embassy posts in London and Paris beginning in 1983. One of the colonels was partners with Paul Cutter (a.k.a. Sjeklocha), a U.S. arms dealer with close links to Israel, who was convicted in 1985 of trying to smuggle TOW missiles to Iran.

Writing in the New York Times, Seymour Hersh noted the estimate of Henrik Berlau, the president of the Danish Seamen’s Union, that, by the end of 1985 (when the Iran-contra affair began), Danish ships manned by his members had carried 600 cargoes of U.S.-made arms from Eilat in Israel to Bandar Abas, Iran. The union has gone public about the arms sales, Berlau said in a telephone interview from his Copenhagen office, because it wants to pressure the
Danish government to outlaw “black” and “gray” arms shipments. These are dangerous, he explained, because the recipient’s enemy may decide to retaliate against the crew.\textsuperscript{17}

The value of the weapons shipped is beyond estimation. (One “small” contract Israel closed with Iran in July 1981 was worth $200 million, according to former Israeli military intelligence officer Shmuel Segev.\textsuperscript{18})

Certainly the sales total is enormously at odds with what the nation heard in 1987, when Congress held hearings on the Iran-contra affair—a paltry matter of a few plane loads of Hawk and TOW missiles, valued well under $50 million.\textsuperscript{19} The Iran-contra committee neatly finessed the question of what went on in the early 1980s by beginning its investigation in 1984.

Henrik Berlau’s shrug was audible as he recalled that the Tower Commission, appointed by President Reagan to “investigate” the Iran-contra affair, and the congressional Iran-contra committee ignored the 18 shipments for which the Danish Seamen’s Union had provided documentation. Berlau also recalled that, in late 1986 or early 1987, Israel sent then Defense Minister Yitzhak Rabin to Denmark “to persuade our prime minister to shut our mouth.”\textsuperscript{20}

Many who have investigated or who participated in some of the covert arms sales to Iran say that the Reagan administration’s blessing for the Israeli sales came as part of a deal cut during the 1980 election campaign. That deal, known as the October Surprise, is said to have been struck during meetings campaign chairman (and, subsequently, CIA director) William Casey had with Iranian officials in Madrid and Paris in July and October 1980. In exchange for an open Israeli arms pipeline, Iran is alleged to have delayed the release of U.S. hostages in Tehran until after the November 1980 elections. They were freed on Inauguration Day, January 20, 1981, moments after Ronald Reagan put his hand on a bible and swore to uphold the constitution. Some believe the delay in their release cost President Jimmy Carter the election.

A year or so later, Bruce Rappaport, a Geneva-based Israeli and a golfing partner of William Casey, befriended Carter’s one-time budget director, Bert Lance. Rappaport, said Lance, “made it clear to me he had a close relationship with” the CIA director. After Rappaport had pursued him socially for some time, Lance told a Senate committee hearing last year, he asked indirect questions that, Lance said, gave him the impression “that he was interested in if I or anyone around Carter was pursuing the October Surprise.”\textsuperscript{21}

Rappaport would later figure in allegations tying Reagan Attorney General Edwin Meese to a proposal to bribe the Israeli Labor Party in connection with a pipeline the Bechtel construction company wanted to build for Iraq across Jordan.\textsuperscript{22} (Rappaport is a major donor to the Labor Party.\textsuperscript{24}) Still later, a $10 million “donation” made by the Sultan of Brunel to the Nicaraguan contras would vanish, then mysteriously reappear in Rappaport’s account at Credit Suisse, Iran-contra insider Maj. Gen. (Ret.) John Singlaub said the bank snafu was “no accident.”\textsuperscript{25} Most recently Rappaport’s name has been connected to the scandal-plagued Bank of Credit and Commerce International.
In researching his New York Times article, Seymour Hersh found no link between the gusher of Israeli arms shipments to Iran and the October Surprise. But Hersh also wrote: “No American rationale for permitting covert arms sales to Iran could be established.”

In April 1991, a public television documentary and a book on the October Surprise by former Carter administration National Security Council official Gary Sick, sparked calls for an investigation from Carter, from former hostages and from the grass roots. The House and Senate Democratic leadership responded, if reluctantly, and began organizing a formal investigation. Congressional Republicans have opposed the probes with a ferocity that suggests there may indeed be something to hide.

Congressional investigations, with powers to subpoena classified documents, could ferret out the truth about the October Surprise. There is credible circumstantial evidence that a deal was made. P.L.O. official Bassam Abu Sharif, for example, says that after the 1980 Republican convention he met in Beirut with “one of Reagan’s closest friends” who wanted the P.L.O. to use its influence to delay the release of the American hostages until after the election and offered in return recognition and an open White House door for the P.L.O., which, Abu Sharif said, rejected the approach. However, the only professed witnesses to the alleged Paris and Madrid meetings are arms dealers and denizens of the covert netherworld. Their testimony conflicts on some points and they are easy for the men at the top to discredit and deny.

A key source for Sick’s “October Surprise”—and for many of the revelations about Israeli and U.S. operations during the 1980s to have made the news in the last two years—was Ari Ben-Menasha, a former Israeli military intelligence officer. He is a highly controversial source because he claims to have seen then vice-presidential candidate George Bush attending a meeting with Iranian representatives in Paris in October 1980 and because, while journalists have been able to confirm much of what he says, some of his allegations appear improbable.

Ben-Menasha claims to have sold arms to Iran under the auspices of the Israeli government and has told of buying weapons for resale to Iran from Poland and North Korea. He claims that in 1986 and 1987 Israeli technicians went to Vietnam to renovate a Hercules C-130 aircraft abandoned there by the U.S. military. He has also made wide-ranging allegations about CIA Director Robert Gates, charging that during the 1980s Gates took a lead role in arming Iraq through South Africa and Chile. At the same time, Ben-Menasha says he was present at a meeting in Kansas City, Missouri in July 1987 when Gates and Iranian Defense Minister Mohammed Hosein Jalali consummated a $2 billion arms deal. Some of these allegations seem to be consistent with known history, but journalists have been unable to confirm them.

The Israeli government and several major media outlets in this country have made Herculean efforts to discredit Ben-Menasha, who was acquitted by a federal jury in New York in 1990 of charges involving an attempted sale of aircraft to Iran which Ben-Menasha says was sanctioned by Israel and the U.S. His detractors have dismissed him as a “minor translator” for Aman, Israel’s military intelligence agency, and afflicted by “serious personality disorders.”

However, several U.S. journalists have confirmed with Israeli officials that Ben-Menasha worked in the external relations unit of Israeli Military Intelligence. Pazit Ravina, the foreign
editor of Davar, the Israeli Labor Party’s paper, obtained an acknowledgment from former Aman chief Gen. Yehoshua Saguy that, although Saguy never knew Ben Menashe personally, it could very well have been “that during his time at my office Ben-Menashe sat in the second or third row.” Moshe Hebroni, who served as Saguy’s chief-of-staff at the time, did remember Ben-Menashe and told Ravina that:

Ben-Menashe was directly under my authority. During my work as chief of staff for Saguy, I knew him for more than ten years. He was a desk man who worked in Foreign Flow. Within the framework of his role, I often called upon him to take part in discussions with the head of intelligence office.  

Saguy told Ravina that Ben-Menashe had had access to “material that was not within his authority to know. I do not want to touch it, especially since it involves money,” he added.

Ben-Menashe has told journalists that the Ora Group, the arms sales network he says he ran, banked a slush fund of over $1 billion in profits, some of which was spent on settlements in the occupied territories.

Some journalists who have interviewed Ben-Menashe believe that the Israeli aggrandizes his role in operations to which he may have had only a tangential connection—or perhaps, as Yigal Laviv, an investigative reporter at the Israeli paper Hadashot, suggests, that he learned of through classified documents obtained in the course of his intelligence work.

TARGETING KABUL—AND THE USSR

During the 1980’s Israel and its U.S. supporters hammered on the theme of Israel as a “strategic asset” in Washington’s cold war against the Soviet Union. Similarly, vast popular sympathy was drummed up for Israel by portraying it as a frail reed, vulnerable to attack by the world’s one billion Muslims, who, Israel’s partisans suggested, harbored an intrinsic hatred of the Jewish state. The covert reality was much more flexible. Israel worked comfortably with Pakistani officials and their allies—the most radically Islamic faction of the Afghan guerrillas. And despite its pose as a bastion against Soviet expansion, Israel passed U.S. intelligence to Moscow. The men who plotted these seemingly contradictory policies may have chortled at their sophistication. But the everyday Soviets and Americans who were not in on the joke supported military buildups that left both superpowers too broke to maintain social services for vast sectors of their populations and cheered on a war, that may well have been the prelude to decades of intercommunal strife in Afghanistan.

One of Ari Ben-Menashe’s allegations which has been confirmed is his astonishing claim that an Israeli team stationed in Pakistan between 1983 and 1986 to coordinate arms shipments to Iran trained the hardline guerrillas of the Hezb-i-Islamic faction, led by Gulbuddin Hekmatyar. Serving and former Pakistani officials confirmed that such a team was present, at least in 1985. They were unable, however, to confirm his claim that in 1985 Israeli and Pakistani intelligence agencies diverted $300 million worth of weapons to Iran that the U.S. Congress had bought for the Afghan guerrillas, or mujeheddin, to use in their fight against the Soviet-backed government in Kabul. Ben-Menashe claims that the arms diversion was done to raise funds for the anti-Nicaraguan contras.
An even stranger Afghanistan connection is one claimed by Jonathan Jay Pollard, the civilian naval intelligence analyst who was caught spying for Israel in 1985 and sentenced to life in prison in 1987. Pollard says he was asked to help deliver arms to the mujaheddin by Kurt Lohbeck, who posed as a journalist but was involved in highly secret operations run by the national security council—by National Security Adviser Robert McFarlane, claims Pollard. At his trial, Pollard says, he threatened to expose McFarlane, if the prosecutor charged him with passing secrets to Afghanistan through Lohbeck.\(^{42}\) (Pollard, a Jew and a Zionist, was not the aberration Israel’s supporters claimed that he was. Victor Ostrovsky, a man with a grudge over his firing from Mossad, recently revealed in a book the Israeli Government tried to ban in the United States that, to augment its small core of 1,200 employees, Mossad uses Jewish “helpers” [sayanim] in Europe and North America to obtain information and for such tasks as renting cars and apartments. Mossad also sets up and trains armed Jewish groups called “frames” [Tsafirim] in various countries around the world, Ostrovsky claimed.\(^{43}\)

If the Americans appreciated Israel’s help in Afghanistan, they may have been more ambivalent about its program of targeting cities in the Soviet Union for nuclear attack—especially when, as the Cold War thawed and the superpowers began to negotiate arms reductions, Moscow suggested that Israel’s nuclear-capable Jericho missile should be counted as part of the U.S. inventory of intermediate-range missiles.\(^{44}\) Early in the Reagan administration, Richard Burt, at the time the director of the State Department’s politico-military affairs bureau, told journalists Andrew and Leslie Cockburn that the U.S. believed Israel had the U.S.S.R. in its nuclear sights.\(^{45}\)

Israeli Air Force Col. Aviem Sella, who served as Jonathan Jay Pollard’s “handler,” was “perhaps Israel’s top air force expert in nuclear targeting and the delivery of nuclear weapons,” writes Seymour Hersh in his recent book about Israel’s nuclear weapons program. Hersh writes that Sella was directing Pollard to gather information to pinpoint missile targets within the U.S.S.R.\(^{46}\) The idea was to deter the Soviets from joining their Arab allies in a war against Israel.\(^{47}\)

At the same time, according to a number of sources, Israel also struck up a secret intelligence-sharing relationship with Moscow, feeding the Soviets intelligence gathered by Pollard, and hoping, in exchange, for an easing in restrictions on Jewish emigration to Israel. According to Andrew and Leslie Cockburn:

It has been confirmed directly and equivocally by two very well-placed US sources with a direct interest in the Pollard case and, in a backhanded fashion, by a former Israeli intelligence officer who answered a question on this topic by saying, “The Russians didn’t get anything that was really important.”\(^{48}\)

But a senior U.S. intelligence officer and a former CIA official told Seymour Hersh that intelligence passed by Pollard enabled the Soviet Union to “roll up” U.S. agents and had seriously impeded U.S. technical intelligence collection.\(^{49}\)
A 1987 report (widely disbelieved at the time) said that the relationship had begun in the early 1980s. Ari Ben-Menasha told Hersh that in 1984 Prime Minister Yitzhak Shamir approached the Soviet Union, ordering Mossad’s representative in Romania to exchange information with the Soviets. Hersh was able to confirm with another knowledgeable (although unnamed) Israeli that the relationship blossomed as Israel provided Moscow with retyped (“sanitized”) U.S. intelligence documents obtained by Jonathan Jay Pollard. Shamir, said the Israeli source, had worked for improved ties with the U.S.S.R. since his days as a Mossad officer in the 1950s and 1960s because he regarded Moscow as a good counterbalance to Washington, preferring its “toughness” over the “soft, bourgeois, materialistic and effete” United States. If the Reagan administration knew about this at the time, it was betraying the gullible voters who supposed the military build-up which beggared the U.S. economy.

Ari Ben-Menasha’s claim that Moscow reciprocated late in 1984 by inviting Israel to an intelligence conference in India to talk about Pakistan’s nuclear reactor is consistent with reports that three times, the last in July 1985, Israel, armed with satellite photographs provided by Jonathan Pollard, tried to enlist India in a joint attack on the reactor. India declined, relieving Israel of the headache of juggling its anti-Afghanistan work in Pakistan with an attack on that country.

Ari Ben-Menasha credits the late media baron Robert Maxwell with opening the doors to Eastern Europe for Israel—and also with laundering the profits of Israeli arms sales to Iran through investments in Eastern Europe. In “The Samson Option” Seymour Hersh (who repeated only those Ben-Menasha allegations he was able to confirm with other sources) writes that Maxwell helped the Israeli government execute a dis-information campaign to blunt revelations that Mordecai Vanunu, a former technician at Israel’s nuclear weapons reactor, was making to the Sunday Times.

Maxwell’s mysterious death at sea last November makes it unlikely that his role in the Vanunu affair will ever be fully known. The snarled and looted business empire Maxwell left behind makes it unlikely that his sudden spurt of investment in Israel in the mid-1980s, most notably in the newspaper Ma’ariv and Scitex, a printing equipment firm, will ever be tied definitively to arms profits or money laundering.

However, the foreign editor of Maxwell’s Daily Mirror, Nicholas Davies, was fired last fall after he falsely denied the claim in “The Samson Option” that he had been a member of Ari Ben-Menasha’s Ora Group, involved with dealing arms to Iran. Davies was caught out when a rival paper published a picture of him meeting with an Ohio arms dealer.

IRAQ

The dissonance between Israel’s pose as a “strategic asset” and its covert dealings with Moscow is no more jarring than Washington’s own contradictory set of Persian Gulf policies. While it sanctioned and sometimes participated in Israel’s large-scale support of Iran, Washington was “tilting” toward Iraq, facilitating its acquisition of weapons, passing it intelligence, and running a naval patrol in the Persian Gulf that advanced Iraq’s war aims.
U.S. support for Baghdad during the Iran-Iraq war helped perpetuate that conflict with its awful toll of one million casualties. And many believe that the Bush administration’s continuation of the same pro-Iraqi policies in the war’s aftermath encouraged Iraq to think that it could invade Kuwait without triggering a U.S. response. However, the massive war with which the administration responded to Iraq’s occupation of its neighbor in August 1990 and the continued economic sanctions against the government of Saddam Hussein have exacted a fearful toll from the Iraqi people in the form of death, disease and malnutrition.

Along with its furtive early commitment to arming of Iran, the Reagan administration made sure that Iraq did not go begging for the implements of destruction. It began a program of arming Iraq through third countries that was a mirror image of the arms sales to Iran. In this case the administration was forced to notify Congress about a 1986 unauthorized transfer to Iraq of U.S.-made bombs by Saudi Arabia after an angry State Department insisted on alerting congressional leaders.\textsuperscript{56}

Congress is not known to have taken any action on the notification and, evidently, the Iran-contra hearings did not act as a deterrent to either the administration or Saudi Arabia (whose efforts on behalf of the contras were extensively discussed under the figleaf sobriquet “country number two”). After the war against Iraq, Saudi Arabia again transferred U.S.-made equipment—this time to Syria and Bangladesh—with the apparent blessing of the Bush administration. Saudi Arabia—and the State Department—called the transfers “inadvertent.”\textsuperscript{57} But, a New York Times editorial noted acidly, “recurrent fits of inadvertence require explanation.”\textsuperscript{58}

President Bush might soon be pressed to explain some stealth diplomacy he reportedly undertook as vice president that could hardly have been inadvertent. Last June the Washington Jewish Week reported that, according to a source congressional investigators considered credible, Bush “made as many as four clandestine trips to Damascus, starting in early 1986” to negotiate the release of the U.S. hostages held in Lebanon with Syrian officials.

The Syrians wanted better relations with Washington, said the paper, and “Bush offered the possibility of arms and other considerations.” But the vice president was concerned about the timing of the hostages’ release. He showed a desire to put off the actual transaction” until the spring of 1988, just as he was launching his presidential bid.

But the Syrians said no dice, according to the Washington Jewish Week. After observing the havoc caused in the U.S. by the Iran-contra revelations, “the Syrians were said to have grasped the amount of leverage they now had over Bush with their knowledge of his clandestine initiatives.”\textsuperscript{59}

In a July 21 story that closely paralleled the Washington Jewish Week’s but did not report the allegations about Bush, the San Francisco Examiner reported that the Senate intelligence committee was investigating allegations that the Reagan administration spurned officers of freedom for the hostages in Lebanon. Both papers quoted Robert Ladd, a former Nixon aide with admitted ties to the CIA, who said he acted as an intermediary in
another Syrian attempt to extricate the hostages but that the offers he relayed died after they were referred to Oliver North and CIA officials who were subsequently connected to the Iran-contra affair. “I knew the CIA was just slow-rolling it,” a Pentagon official told the Washington Jewish Week.

Last summer White House spokesman Marlin Fitzwater dismissed the story as a “complete fabrication.” But in March, two senior Republican senators were reported to be pressing for an investigation of the allegations—the second set of charges that the Reagan-Bush team was willing to keep U.S. hostages on ice for domestic political advantage.

Israel did not sit by passively as its strategic partner aided Iraq. With the help of its supporters in Congress, it mounted an intense campaign to deny Iraq missiles and other weapons technology. In February 1991 senior Israeli intelligence officials took responsibility for the March 1990 assassination of Gerald Bull, who was designing a “super gun” capable of reaching Israel. He was shot in the head outside his Brussels apartment.

Last fall, the London magazine Private eye reported that in 1986 Israel had authorized payment of $1.5 million to then CIA deputy director Robert Gates in an effort to get the CIA to stop aiding Iraq. The money, in two checks, came through the National Westminster Bank, the Discount Bank in Israel, and the bank’s representative in the Cayman Islands. Easy as it is to win libel actions in Britain, no one has sued the Private Eye, noted reporter Yigal Laviv in an interview last fall. Laviv said his paper, Hadashot, had repeated the story on its front page and no one had come forward to deny it.

In March 1992, the Los Angeles Times quoted administration documents to show that Gates and other administration officials had lied when they said intelligence sharing with Iraq had ended in 1988; it actually continued until three months before Iraq invaded Kuwait, the paper said.

While engrossed in their secret demarches, the Reagan and Bush administrations were concealing their aid to Iraq and vociferously condemning Syria and Iran. It was an arrogant, cynical performance. But it may not have been entirely mindless. Partner Israel had developed an integral system of stealth diplomacy and made no bones about relying on its intelligence agency Mossad and a phalanx of “cutouts” (ostensibly private businessmen whose real business is to act as arms dealers for the government) to conduct foreign policy in the many countries with which it did not have diplomatic relations.

“Diplomatic stealth finds increasing respect and popularity among individual professionals directly engaged in the planning and operational aspects of foreign policy,” noted Aharon Klieman, an Israeli who wrote a book on Israel’s arms sales abroad and then wrote a tract, Statecraft in the Dark, exploring the merits of “quiet diplomacy.” Klieman offered the beguiling concept that secret diplomacy is essential to “the ability of democracies like the United States to fulfill their role abroad.”

Speaking of the Reagan administration’s concealment of its arms deals with Iran, Klieman wrote, “Practitioners of the art are notorious for expending tremendous resources as well
as ingenuity in devising clever ruses and subterfuges...to cover their tracks both literally and figuratively. Such concealment efforts are directed as much against one’s own public as against external enemies.”

Such a deceit that strikes at the heart of an electoral democracy, whose voters must have the information they need to make reasoned choices. But, far from any signs of remorse, the arrogance just went on and on. Indeed, when the two nations’ intelligence agencies got into the act, the disconnect between what was said and what was done became more egregious—and more imbued with criminality.

AFRICA

Africa was a prime theater for U.S.-Israeli “strategic cooperation.” Sometimes the partners pursued objectives related to the Cold War—such as their support of the “kleptocratic” dictator of Zaire, Mobutu Sese Seko and the Unita guerrillas fighting the Soviet-supported government of Angola. But often the objectives were obscure petty power games, such as the Mossad effort to invade the West African nation of Ghana and the joint effort to overthrow Libyan leader Muammar Kadafy, described below. Whatever their “justification,” the covert operations in Africa caused enormous damage. The U.S. mines used against Angola made that nation a world leader in amputees. Mobutu drained Zaire’s considerable wealth away. And, while they never succeeded in bringing war to Ghana and Libya, the two operations described below were an assault on the U.S. democratic system. In both cases the government “of the people” violated the people’s law and hid its law-breaking from those charged with judging its performance—the voters.

In 1986, a Mossad front company in New York, Bophuthatswana International (an accurate reflection of its roots in Israel’s extensive relationship with South Africa,) launched an operation that, had it succeeded, would have involved an armed invasion of the west African nation, Ghana, a clear violation of the Neutrality Act. However, the invaders—recruits with a history of working in CIA operations—balked when they suspected that the operation was not, as they had been told, under the auspices of the CIA. The mercenaries mutinied as the Nobistor, the ship they had outfitted in Argentina near Brazil. Some wound up in Brazilian prison cells.

Godfrey Osei, the Ghanaian who was to head the invasion, had raised some of the funds from a “Chinese mafia” in New York in exchange for promises of casino privileges.

It is illegal under international law to recruit a prisoner of war to fight his own country unless the prisoner indicates his willingness in an interview with a neutral party, usually the International Committee of the Red Cross (ICRC). But in the late 1980s U.S. and Israeli intelligence operatives mustered Libyan prisoners of war in Chad into a “contra” force, denying the ICRC access to them. In 1990, when Chadian President Hissein Habre was overthrown, the CIA was forced to hastily evacuate the Libyan contras.

No African nation would take them in, so they were brought to the U.S. as immigrants. The State Department promised that their fighting days were over and they would be dispersed.
around the country. They were. But last winter, when the Bush administration began pressing Libya to extradite suspects in the bombing of Pan Am flight 103, the contras, using the name they had been given in Chad, the Libyan National Salvation Front, held military exercises in Virginia. This spring they held a convention in Texas.

COLOMBIA, PANAMA

The Reagan administration’s determination to wage war against “communism” in Central America quickly ran up against opposition from citizens and Congress who saw the administration’s “freedom fighters” and “democrats” in Nicaragua, Honduras and Guatemala as the thugs and death squads which they really were. So the administration called on its “strategic” partner Israel to help the CIA prosecute a war whose consequences continue to haunt the Western hemisphere. Israel had already been supporting the brutal U.S.-supported governments of Guatemala and El Salvador against persistent insurgencies. But in 1982, working with the CIA from its base in Panama, where a senior Israeli intelligence officer had a privileged relationship with strongman Gen. Manuel Antonio Noriega, Israel called in a third ally: the Colombian Medellin cocaine cartel. The purported aim was to support the contras—a mercenary band of officers who served former Nicaraguan dictator Anastasio Somoza and Nicaraguan peasants, all assembled by the CIA. While it is unclear how much the cocaine barons helped in the ousting of Nicaragua’s Sandinista government—the primary goal of the CIA-Israeli operations and itself a bloody tragedy for the Nicaraguan people—the three-way relationship facilitated the flow of cocaine into the U.S. The Israeli-Panamanian connection contributed to the events which culminated in the Bush administration’s questionable and destructive invasion of Panama in 1989. And Israeli covert operatives subsequently trained and armed Medellin paramilitaries who inflicted terrible violence on Colombia. Although some of these activities made the headlines, neither the administration nor the Congress took steps to strengthen the fabric of our democratic system by calling Israel to account for the direction its war on our behalf against “communism” ultimately took.

Although he is probably not a major Israeli operative on the order of mega-arms dealer Shaul Eisenberg (David Kimche’s current employer), Bruce Rappaport winds like a thread through one of Israel’s most sensational operations—its use of the Caribbean nation of Antigua and Barbuda as a front for an arms sale to the Medellin cocaine cartel. Rappaport got to Antigua first. He owned the land on which Maurice Sarfati, a former Israeli military officer, set up his melon farm. And one of Rappaport’s banks in Antigua made a large loan to Sarfati—which was never repaid. Sarfati (who also walked away from a loan guaranteed by OPIC, the U.S. government insurance agency) took it from there, first cultivating government officials and then providing entree to their offices to his compatriot Yair Klein.

Klein’s work in Colombia, where his Israeli-licensed “security” company, Spearhead Ltd., trained the hit squads of the Medellin cocaine cartel in assassination and bombing techniques, was beginning to attract unwelcome attention. In August 1989, a promotional film that Spearhead made of the training exercises in Colombia would fall into the hands of Colombian authorities and, to Israel’s acute embarrassment, it would be aired by television.
stations around the world. Colombian authorities would lay much of the blame for the 1989 assassination of a leading presidential candidate, a series of massacres, and the bombings of a passenger aircraft and the headquarters of the domestic intelligence agency on Spearhead’s tutelage. In 1988, Klein was in Antigua, looking for a new way to provide arms to his Medellin client, Jose Gonzalo Rodriguez Gacha.  

Meanwhile, as draconian laws aimed at combating domestic drug trafficking eroded constitutional guarantees, the U.S. government was providing a hospitable base in Miami to Israeli Brig. General (Res.) Pinchas Shachar. Shachar, according to a British television report, was a Mossad agent and an “undercover representative” of the state-owned Israeli Military Industries (IMI). He was part of a network of Israeli arms dealers in Miami that had been selling Israeli weapons to Latin America since 1982.

In 1988 Shacar, Klein and Sarfati convinced Antiguan officials to provide a false front to ship $381,500 worth of rifles and ammunition to Medellin boss Rodriguez Gacha. Gen. Shachar placed the order with IMI. His name, Klein’s and Sarfati’s would all appear on the paperwork for the sale and, when the operation was exposed, Shachar would quickly depart for Israel.

In March 1989, Israel dispatched the Medellin’s guns on a ship, escorted by Captain Philip Earon, subsequently the deputy mayor of Eilat. The arms would be discovered in January 1990, buried on a farm belonging to Gacha’s son, with papers and serial numbers identifying Israel as the source. Already fending off charges that it had sanctioned, or assigned, the Spearhead training team to Columbia, Israel insisted that Antigua had ordered the weapons fair and square. Although, after intense international pressure, it put Klein on trial and handed him a token conviction, Israel insists to this day that its security maestros were training Colombian ranchers.

Klein, depending on which story you believe, was paid in cocaine delivered to him in Israel or in narco-dollars delivered in the U.S. and subsequently transported to Israel by a network of Orthodox Jews specializing in laundering.

Meanwhile, under the guise of the domestic “war on drugs” authorities have begun seizing property “suspected” of being connected with drug trafficking without due process. U.S. citizens caught with cocaine for personal use are charged with felonies. Drug dealing began exacting a fearful toll from the already deprived inner cities, where it was one of the few good jobs available to youth. By opposing gun control laws, the Reagan and Bush administrations made sure the young dealers had access to the same automatic weapons they marketed so freely abroad. And the very government that promulgated the get-tough-on-drugs laws appears to have helped supply the local market.

Washington’s tolerance—if it is only that—for Israel’s mingling of military contracting and narcotrafficking goes back to 1982, to the early days of strategic cooperation, when Mike Harari, an Israeli intelligence officer who served as a close aide to Panamanian strongman Gen. Manuel Noriega, ran a contra support network that combined the resources of Mossad, the CIA and the Medellin cartel.
A senior source at the Israeli defense ministry’s export sales office (SIBAT) told an Israeli newspaper that “interests related to the drug cartel” financed $40 million worth of weapons Israeli arms dealers sold to the contras. Both the Israeli and U.S. governments were “well aware” of the sales and the Israeli defense ministry had “tactily authorized them,” said the paper. Hoping for good will from the contras’ patrons in Washington, the cartels were also making direct contributions to guerrilla leaders. Some contended they had protection for their deliveries to the U.S. SUP>81

When the Bush administration invaded Panama in December 1989, Harari was allowed to slip away to Israel. Gen. Noriega had planned to use his cooperation with the Harari network as part of his defense when he stood trial on drug-trafficking charges in a federal court in Miami. But, conveniently for Israel and the Bush administration, the judge did not allow the defense to introduce “political” arguments. Noriega was convicted in April 1992.

WHAT OF THE FUTURE?

The Memorandum of Agreement (MOA) Israel signed with the Reagan administration in 1988 was designed to institutionalize the privileged “strategic” relationship beyond the reach of an unfriendly successor administration. But in March 1992, with the Soviet Union dead less than half a year, the MOA’s permanence was put to the test.

Someone in the administration with a great deal of information told the Wall Street Journal about a report that Sherman Funk, the State Department’s inspector general, was preparing that would detail Israel’s unauthorized re-export of weapons containing U.S. technology to third countries to which the sale of U.S. arms was embargoed by law. And the Washington Times reported that Israel had transferred technology for the Patriot missile to China.

The news—and Israel’s rejoinder that the leaks were a “slander” and a “smear campaign” designed to weaken Israel’s position—had all the makings of a full-blown crisis in relations. Yet, in April, when a U.S. inspection team returned from Israel saying it could find no evidence of a Patriot transfer, the State Department declared the matter closed, ignoring reports that two Chinese officials—stationed in Syria and the Netherlands—had confirmed the transfer to U.S. diplomats.

And when a heavily censored version of the inspector general’s report was issued singling out Israel for “a systematic and growing pattern of unauthorized transfers by the recipient dating back to about 1983,” the State Department spokeswoman dismissed the blockbuster, saying there were “many differences of opinion” about the report in the State Department.

There was undoubtedly more than one reason for her discretion. The State Department would not want to risk alienating Israel, perhaps giving it an excuse to back out of the Middle East peace talks. The U.S. elections were approaching and the administration had already badly roiled Israel’s supporters with its refusal to grant Israel $10 billion in loan
guarantees without an Israeli commitment to freeze construction of Jewish settlements in the occupied territories.

Yet despite these possible motives for backing away from a confrontation with Israel, the State Department’s primary concern may have been a parochial one. Richard A. Clarke, the assistant secretary of state for politico-military affairs, was responsible for verifying Israel’s use of restricted U.S. weapons technology. In his report Inspector General Funk recommended that Clarke be disciplined for instructing U.S. embassy personnel in Israel not to conduct hands-on verifications but instead to accept Israel’s assurances that it was not re-exporting U.S. arms components. Clarke had also failed to fulfill his legal responsibility to notify Congress about suspected Israeli violations, Funk noted.

Clark, however, also had responsibilities under the 1988 MOA, which established the Joint Political Military Group (PMG), "a binational, interagency group co-chaired by the director-general of the Israeli Ministry of Defense and the U.S. Assistant Secretary of State for Politico-Military Affairs." The JPMG, says Article III of the MOA, is:

the forum in which the two states discuss and implement, pursuant to existing arrangements, joint cooperative efforts such as combined planning, joint exercises and logistics. The JPMG also discusses current political-military issues of mutual strategic concern.\(^9\)

In memoranda attached to the inspector general’s report, Undersecretary of State Lawrence Eagleburger rejected the recommendation that Clarke be disciplined and Clarke protested hotly that “this administration inherited a situation of gross nonfeasance” from the Reagan administration.

He may well have been telling the truth. In the good old days a wink and a nod to such things as the sale of cluster bombs to Ethiopia and the transfer to South Africa of technology for the Arrow anti-missile missile, a Star Wars project,\(^9\) would be part and parcel of strategic cooperation. In the post Cold War world however, with the Pentagon sweeping up the crumbs it disdained during the Reagan build-up, every Israeli peccadillo was an assault on military industries facing massive cut-backs.

The resolution of the crisis followed the same lines. The inspector general’s report noted that the department:

has recently taken steps to curtail further unauthorized transfers by the recipient. License applications to export U.S. components for a number of weapons systems have not been approved...[and] will not be approved until questions pertaining to the sale of systems to other parties are resolved.

The report noted that “the recipient has not responded to the questions and, as a result, the licenses have not been approved.”
And “diplomatic sources” told the Jerusalem Post that Clarke would be heading the U.S. team. to the regularly scheduled bi-annual meeting of the U.S.-Israel JPMG at the Galei Kinneret Hotel in Tiberias, Israel.

With calm restored, Israel radio reported that “the prime minister [Shamir] said he has noted a U.S. effort to halt negative declarations against Israel and an effort to change the impression that the special U.S. commitment to Israel’s security has been eroded.” President George Bush expressed the hope that the two governments could disagree from time to time “without placing fundamentals at risk.” Rich Bond, the chairman of the Republican National Committee, assured the annual convention of AIPAC, Israel’s congressional lobby, of the “administration’s continuing support for the fundamentals of the relationship.” And Israel’s newly elected Prime Minister, Yitzhak Rabin, himself wasted no time in reaffirming the relationship. Perhaps one of the fundamentals of this relationship is a closet full of skeletons, real and political, left over from a decade of covert policymaking.

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—Notes—


2. A November 1981 Memorandum of Understanding on Strategic Cooperation (MOU); an agreement negotiated in November 1983 and signed in March 1984 under the terms of President Reagan’s October 1983 National Security decision Directive 111, establishing “strategic cooperation” with Israel (cf. Washington Post, August 5, 1986); an April 1988 Memorandum of Agreement.


5. Seymour M. Hersh, “Reagan is said to have let Israel sell arms to Teheran,” New York Times, December 8, 1991.


8. Hersh, “Reagan is said...”


12. Hersh, “Reagan is said...”


16. Hersh, “Reagan is said....”

17. Author’s interview, April 1992.


26. Hersh, “Reagan is said.....”

27. The PBS-Frontline documentary was “An Election Held Hostage,” aired around the country the week of April 15, 1991; Sick also authored an op-ed article in the New York Times on April 15, 1991.


31. Ben-Manashe is also an important source for Seymour Hersh’s “Samson Option.”


38. Ibid.


40. Author’s interview with Laviv, April 1992.

41. Lifschulltz, op. cit.


47. Ibid., p. 139.


53. “Irangate, Maxwell...”


57. Ibid.


64. Private Eye, September 27, 1991; Author’s interview with Laviv, October 1991.


69. UPI, April 19, 1992.

70. “Dangerous Liaison,” p. 271; Author’s sources.

71. Louis Blom-Cooper QC, “Guns for Antigua,” Duckworth, London, 1990 (Blom-Cooper investigated the arms scandal for the government of Antigua.)


74. Ibid.


77. EL Tiempo (Bogota) citing a confidential report by Columbia’s Department of Administrative Security (equivalent to the FBI), August 6, 1990, FBIS-LAT, August 13, 1990, p. 44.

78. Jerusalem Post, October 5, 1989, quoting Yediot Aharonot (nd).

79. Jose Blandon, testimony to the senate, April 4, 1988; ABC-TV, April 7, 1988, Newsweek, May 23, 1988. See also Israeli Foreign Affairs, May and June 1988 and passim.


81. Subcommittee on Terrorism, Narcotics and International Operations of the Committee on Foreign Relations, United States Senate, Drugs, Law Enforcement and Foreign Policy, 100th Congress, 2d Session, December 1988, pp. 36-61, 120-132 and passim.

82. In the last four days of 1989 there were numerous U.S. media reports quoting officials saying that Harari had been captured. But on December 31 and January 1, 1990, the New York Times quoted officials saying Harari had never been in custody. See Israeli Foreign Affairs, January, 1990.


88. The unclassified 69-page version of Inspector General Funk’s Report of Audit, Department of State Defense Trade Controls, does not cite Israel by name, but administration officials confirmed to reporters (Reuter, April 2, 1992) that Israel was the “major recipient of U.S. weapons” cited in the report.

89. AP, April 2, 1992.


