

ARTICLE APPEARED  
ON PAGE 2NEW YORK POST  
10 November 1986

FILE ONLY

# 'Israel helped set up U.S.-Iran deal'

By URI DAN

*Mideast Correspondent*  
JERUSALEM — A report surfaced here today indicating that Israel provided the contacts to set up a series of arms deals with Iran that resulted in freedom for three American hostages held by militants in Lebanon.

Israeli officials were tight-lipped in their refusal to either confirm or deny the report, which was published in Newsweek Magazine.

According to Newsweek, a top Israeli foreign ministry official suggested early last year to then-Prime Minister Shimon Peres that Israel could help arrange a swap.

The suggestion came at a time when U.S. officials were beginning to despair over getting the hostages released through Syrian channels.

Peres told the official, Foreign Ministry Director Gen. David Kimche, to go ahead with the idea, according to Newsweek.

The magazine said Kimche flew to Washington to propose it to Robert McFarlane, then chief of the National Security Council.

Kimche reportedly told McFarlane that former Israeli Mossad agent Jacob Nimrodi — now a big-time arms dealer — could make available solid contacts in Iran.

Both Israeli and American sources denied that a retired Israeli general about to

go on trial in New York on charges of arranging illegal arms sales to Iran had anything to do with the cloak-and-dagger hostage swap.

Gen. Avraham Bar-Am was arrested in Bermuda and charged, along with 16 other men, in the arms smuggling plot.

The Post reported last week in an exclusive copyrighted story that U.S. Attorney Rudolph Giuliani, who is prosecuting Bar-Am, played a key role in the arms deal that reportedly led to the freeing of three hostages.

Giuliani refused to discuss the matter, telling The Post: "I am once removed from it."

According to Newsweek, another Israeli — American-born Al Schwimmer, founder of Israeli Aircraft Industries — was brought into the secret team as a liaison with McFarlane.

In addition, an Iranian exile named Manucher Ghorbanifar, a close friend of the Iranian prime minister and one of Iran's chief suppliers of military supplies, was also enlisted.

Meanwhile, Time Magazine said wealthy Saudi Arabian businessman Adnan Khashoggi also played a part in the scheme, getting a shopping list of military hardware from Tehran.

According to Time, Khashoggi learned that Iran wanted Hawk anti-aircraft missiles, radar-guidance equipment, anti-tank missiles and

spare parts for U.S.-made jet fighters.

Newsweek said Ghorbanifar was promised by Iranian Prime Minister Hussein Moussavi that one hostage would be released within 24 hours after one plane-load of U.S.-made weapons was delivered.

The Iranians did not live up to their end of the bargain until a second plane-load of supplies was flown to Tehran from Israel, the magazine said.

On Sept. 14, 1985, the first of the three hostages, Rev. Benjamin Weir, a 62-year-old Presbyterian minister, was freed after 16 months in captivity.

The magazine said Israeli officials learned later that when the militants failed to deliver Weir after the first plane-

load of supplies, Iran sent armed militiamen to force the extremists to surrender him.

A third plane-load of supplies brought more stalling from the Iranians, and the Rev. Lawrence Jenco was not released until last July, after ships loaded with missiles, ammunition and spare parts sailed from the Israeli port of Eilat to the Iranian port of Bandar Abbas.

Part of the delay was the result of McFarlane's resignation as national security chief and the departure of Kimche, Schwimmer and Nimrodi in a bureaucratic power play, according to Newsweek.

A third hostage, David Jacobsen, was released last week after another shipment of arms from Eilat to Bandar Abbas.