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U.S.-Israeli Accord Said to Authorize North-Nir Operations

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Amiram Nir, the former Israeli official who died in a Mexican plane crash Wednesday, said last June that a confidential Israeli-American agreement authorized still-secret counterterrorist operations that he and Lt. Col. Oliver L. North supervised in 1985-86.

American and Israeli sources confirmed that there was an Israeli-American agreement, referred to as "terms of reference" or "accords" by some knowledgeable sources. Its existence has never been disclosed to Congress, according to American sources familiar with it.

A White House spokesman said yesterday the Reagan administration would have no comment on the agreement or any operations that may have been conducted under it.

Yossi Gal, spokesman for the Israeli Embassy, said, "I won't go into this agreement . . . Israel and the United States have lots of agreements . . . We have never maintained that Nir was operating on his own or as a renegade . . . Everything he did was being done by the government of Israel."

Nir disclosed the existence of an agreement during interviews in London last June. He maintained that secret U.S.-Israeli covert operations were authorized by President Reagan and then-Israeli Prime Minister Shimon Peres under the accords. Few details of these operations have been disclosed. Nir said

the Israeli government has detailed records of all of them.

One operation conducted under the agreement was the organizing of an armed force of Lebanese Druze in Beirut in May 1986, at a time when the White House was considering the use of force to try to free American hostages.

Disclosure of the agreement adds yet another layer to the mysteries surrounding the Iran-contra affair. As described by Nir, the agreement led to a series of covert actions that had common tactical elements. The now-famous secret transactions that produced unauthorized aid for the Nicaraguan contras from the profits of arms sales to Iran may have fit a pattern established in those other secret undertakings. And, like the arms-for-hostages dealings with Iran, these other secret operations were apparently hidden from Congress.

References were made to the North-Nir "off-the-books" operations during the congressional Iran-contra investigation, but Nir's assertion that they were carried out under an agreement was the first indication that he and North, who has since retired from the military, claimed top-level governmental authorization for their activities.

Nir was interviewed by reporter Bob Woodward for 13 hours last June 25 and 26 in London. He discussed some of his activities with the understanding that these were preliminary and "private" conversations. He said he expected to tell his story publicly later, and said he was debating how best to do it—in a television interview, for a newspaper or some other way. Woodward and Nir agreed that the information Nir provided was not to be attributed to him without further discussions.

In those interviews, Nir said repeatedly that half or less of the story of the secret arms transactions with Iran was publicly known. He refused to elaborate.

Throughout the summer Nir did not return numerous phone calls to his home in Israel. The Post prepared a story on the secret U.S.-Israeli agreement, but editors decided not to print the story in hopes of getting a fuller account later from Nir or other U.S. or Israeli sources.

In a subsequent telephone conversation Oct. 10, Nir said he was not ready to "go public," citing the damage publicity might do to his business activities. But he said he would be willing to meet again in London sometime in the future, and held out the possibility that he would provide important revelations about U.S. officials.

Washington Post editors concluded that Nir's death Wednesday removed the reasons for the agreement to withhold attribution to Nir of the information he provided in June. In a telephone interview on Friday, Nir's widow, Judy, said she knew that her husband was talking to Woodward, but she had "no idea" why he was doing it. At the time of his death he was not prepared to tell his story publicly, she said.

Nir was a central figure in many aspects of the Iran-contra affair:

■ He was cited by North as the originator (in November 1985) of the idea of generating profits from arms sales to Iran to fund other covert projects—the idea North used later to divert support to the Nicaraguan rebels. In January 1986, North and Nir discussed using \$2.5 million from the first direct sale of U.S. arms to Iran for their joint covert operations, according to an entry in North's notebook made public by the congressional Iran-contra committees. When details of the Iran-contra operation were about to be disclosed in November 1986, Nir refused North's request that he take the blame for the diversion of profits to the contras, according to North's notebooks. Nir said in the June interview: "I like Ollie. He was under great pressure. To mix the Iran operation and the contras was stupid, stupid, stupid."

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■ Nir represented Israel in negotiations with U.S. and Iranian representatives that led to three shipments of U.S. arms to Iran in 1986.

■ He accompanied former national security adviser Robert C. (Bud) McFarlane and North on their secret mission to Tehran in May 1986. Nir said in the June interview that McFarlane failed to improvise and take advantage of the meetings, that "fully 50 percent of [this trip] is not known," and that he had extensive notes on this and other aspects of the secret initiative.

■ Nir and North planned and carried out at least two secret joint operations outside normal intelligence channels. These were "only part" of their covert activities. Nir said, "There is much more."

■ With Iranian middleman Manucher Ghorbanifar, Nir arranged for Iranian help in freeing the Rev. Lawrence C. Jenco, an American hostage held by Lebanese extremists. Jenco was released in July 1986 based on Ghorbanifar's promise that the United States would subsequently ship arms to Tehran. Nir called Ghorbanifar "a tool, no matter whose tool," adding that he was told by an important figure in the affair that "imperfect tools must be used for imperfect ends."

■ On July 29, 1986, within days after Jenco was released, Nir briefed Vice President Bush and his chief of staff, Craig L. Fuller, in Israel on the need to respond to the release by shipping arms to Iran.

Like the other Israeli participants in the affair, Nir was barred by his government from answering questions from the U.S. Justice Department, independent counsel Lawrence E. Walsh and congressional investigators. Nir was interviewed during an Israeli investigation and information he provided was included in reports Israel filed with the House-Senate Iran-contra committees and Walsh.

Nir said in the interview that Israel carefully restricted the information that was provided to U.S. investigators of the Iran-contra affair, assigning a former senior Israeli official who had been inspector general of the Israeli armed forces, reserve Gen. Raphael Vardi, to review the Israeli documents. Two limited chronologies, one financial and the other historical, were given to the United States. By sticking to dates and the most general descriptions of planned agenda items for meetings, the Israelis conveyed very little of substance to the United States, Nir said.

Nir said Israel has assembled extensive records not turned over to the United States, based in part on his detailed notes and papers. They provided point-by-point documentation of all contacts, discussions and undertakings with U.S. officials, including North, Nir said.

Nir said he also provided full written reports to his superiors and gave oral briefings to Peres, who hired him as counterterrorist adviser, and later to Peres' successor as Israeli prime minister, Yitzhak Shamir. Nir said he was "on a short leash."

At the time North and Nir joined forces in 1985, the former military correspondent for Israeli television was the newly appointed counterterrorist adviser to Peres. North was a member of the staff of the National Security Council and was responsible for coordinating counterterrorist activities for the White House.

Informed sources said the secret agreement that Nir said authorized the Nir-North undertakings was signed by high-level officials for both governments. Nir said he drafted the agreement and that it was formalized in an exchange of letters between Reagan and Peres. Other sources involved in counterterrorist operations for the two countries said the agreement was signed at a lower level.

Whatever form it took, the agreement is an important missing piece in the history of secret White House operations in Reagan's second term.

U.S. government sources said the agreement originally was negotiated by the State Department and the Israeli foreign ministry to permit the exchange of sensitive information between U.S. and Israeli government counterterrorism experts. These sources said Nir and North in their activities clearly went beyond this intent; at least as understood by senior State Department officials.

The agreement is formally spelled out in its "terms of reference," which officials said included vague language and statements that are subject to different interpretations.

One senior U.S. source said the American-Israeli agreement appeared to be connected to earlier authorizations or "findings" for covert intelligence operations signed by Reagan, which authorized aggressive antiterrorist actions. The Post reported in October that Reagan signed findings in 1984 and

1985 authorizing antiterrorist operations and stipulating that any actions taken under those orders in "good faith" would be "deemed" legal—language several officials interpreted as a "license to kill."

Under longstanding executive orders, it is illegal for American intelligence operatives to engage in any activity that could lead to assassinations, but those intelligence findings signed by Reagan seemed to at least some officials to create a legal loophole to circumvent that prohibition.

One of several versions of the "license-to-kill" finding was signed by Reagan on Aug. 11, 1985, at about the time that Nir said he was drafting the secret American-Israeli agreement on counterterrorism.

The same senior American source said that because Congress was never told of this secret anti-terrorism agreement with Israel, it appeared to be a new case of failure by the administration to give the legally required notification to Congress of a covert intelligence activity. The Iran-contra investigations showed that the administration also failed to notify congressional oversight committees about the 1985-86 secret sales of U.S. arms to Iran.

North faces criminal charges that he conspired to divert U.S. government funds for unauthorized activities based on his use of the proceeds of arms sales to Iran. Nir said in the interview that he expected North to maintain at his trial that

these joint operations financed by Iranian arms sales were authorized by the secret U.S.-Israeli counterterrorism agreement, and so were legal. North's lawyers have said they want to introduce still-secret material in his defense; this agreement is one of the secrets they want to use, according to an informed source. North's lawyer, Brendan V. Sullivan Jr., declined comment.

Nir and North's counterterrorist operations were mentioned in records released in the Iran-contra investigations. They show Reagan and Peres were aware of covert counterterrorist plans and operations being arranged by North and Nir.

For example, a Sept. 15, 1986, memo from North to then-national security adviser John M. Poindexter shows that Reagan was informed of some of these plans.

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Nir for 10 minutes before an upcoming meeting between Peres and Reagan. "Purpose of this meeting is to debrief Nir on his meeting with Peres over the weekend," North told Poindexter. After that session with Nir, "You will then be able to brief the President on Peres' views," North told his boss.

The same memo shows Reagan was briefed for a scheduled meeting with Peres the next day at which bilateral counterterrorist efforts were high on the agenda. The memo was heavily censored in the Iran-contra

committees' report, but a fuller version, published earlier in the report by the presidentially appointed Tower Commission, referred to "several ongoing and contemplated initiatives with the Israelis" and said the topics were so secret "it is unlikely that Peres will discuss any of these with anyone else in the room [other than Reagan]."

Poindexter wrote "Done" on North's recommendation that the president be briefed. The phrase "Non-Log" appears in the upper righthand corner of the memo, indicating that the document was so sensitive it would not be logged in any of the White House filing systems, even the files for the most classified intelligence operations. Both North and Poindexter testified that the memo referred to the North-Nir operations.

The North memo also suggested to Poindexter that he discuss other matters relating to Nir with then-CIA Director William J. Casey. Poindexter initialed the "approve" option under North's recommendation that "you privately discuss the papers at Tabs I and II with Director Casey and indicate next steps after the conversation." Those tabs are three pages deleted from the public record by the Tower board and the congressional panels.

An Oct. 14, 1986, memo written a month later by CIA analyst Charles Allen provides further confirmation that the diversion of arms-sales profits was part of ongoing counterterrorist operations.

"The government of the United States along with the government of Israel acquired substantial profit from these transactions, some of which profit was redistributed to other projects of the U.S. and Israel," Allen wrote.

The relationship between North and Nir grew out of the successful cooperation between the two countries to obtain the release of the Americans held during the 17-day TWA flight 847 hijacking in June 1985.

According to Nir, he spent eight days in Washington during that crisis acting as the "unofficial but direct channel" to the U.S. government. Nir helped insure that some 700 Shiite prisoners held by Israel would be released as the hijackers of flight 847 had demanded.

Nir said he and North collaborated successfully in the October 1985 interception of the PLO terrorists who had hijacked the Italian cruise ship Achille Lauro. Israel provided covert intelligence about how and when the hijackers were planning to escape from Egypt.

Nir came to Washington next on Nov. 14, 1985, when, according to the congressional Iran-contra report, he and North met to "set the foundation for a variety of future Israeli-U.S. covert operations." North's notes for that day indicate they discussed that the United States and Israel "have similar aims, liabilities, vulnerabilities in [Lebanon]." They agreed that \$1 million a month would be needed "for near-term and probably mid-term" financing of their joint activities, the report said.

North also wrote: "How to pay for; How to raise \$...; Use Israelis as conduit? Go direct? Have Israelis do all work w/U.S. pay? Set up joint/Israeli op."

Though the congressional committees deleted specific descriptions of the bilateral operations from their report, sources said—and documents show—that one of the North-Nir projects that was given the code name TH-1 involved assembling a 40-man Druze force in Lebanon for armed hostage rescue missions in May 1986. North testified that "we spent a fairly significant amount of money" on this force.

Another contemplated plan included the kidnaping of terrorists or possibly their relatives to be used as hostages to exchange for American hostages, according to an official source.

Both of these projects had been discussed but turned down as covert U.S. operations by the formal White House interagency group on counterterrorism. North apparently then decided to undertake them using his "off-the-books" operation with Nir, according to informed sources.

Money to fund these activities was found through different means.

Nir, in the interview, said one plan was that Israel would take 10 percent of the cost of handling an Iranian arms transfer and use it to fund other joint operations. An Israeli source said this "cross-funding" is standard in Israeli intelligence operations and provided Nir's initial concept for diversion of Iranian arms sales profits.

North's notes for Jan. 9, 1986, show Nir proposed use of \$2.5 million from the first 1986 direct sale of U.S. arms to Iran to support unspecified "Ops"—apparently not for the Nicaraguan contras.

Staff researcher William F. Powers Jr. contributed to this report.

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