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PERSPECTIVE

REVERSE McCARTHYISM

NOW that Lawrence Walsh, the independent counsel (or special prosecutor) investigating the Iran-contra affair has finally begun to go public, a pattern is emerging that raises the gravest questions about what this investigation is out to accomplish.

Walsh is said to be a relatively conservative man. Yet he is also a very zealous prosecutor with an equally zealous but perhaps more liberal staff. As such, he seems bent on establishing the criminality of a good many of the Americans who have tried to help those Nicaraguans fighting and dying to reclaim a democratic revolution that has been stolen from them by the Communists.

Democracy vs communism: it is necessary from time to time to remind ourselves that this is what the struggle between the contras and the Sandinistas is really all about. Otherwise we are in danger of forgetting that the Americans now under the prosecutorial gun are not the ones who have been giving aid and comfort to the Communists in this struggle but rather the ones who have been supporting the democratic resistance.

Thus, as his first public act, Walsh recently brought criminal charges against two private citi-

zens, Carl Channell and Richard Miller, who had been raising money through a tax-exempt foundation to buy weapons for the contras. Hearing of this, an ordinary mortal deprived of the benefits of a legal education would automatically assume that it must be against the law for a private citizen either to raise money for the contras, or to use that money for the purpose of buying weapons, or both. As it turns

Prosecutor targeting the foes of communism

out, however, neither of these actions was or is illegal.

Therefore, to get Channell and Miller, it was necessary to charge them with something else. What Walsh came up with was conspiracy to defraud the government by abusing the tax-exempt status of the charitable foundation through which contributions were raised.

Both Channell and Miller have pleaded guilty to this charge, and for all I know they may have vio-

lated certain regulations of the tax code. Yet even if they did, the usual way to handle it would have been as a civil rather than as a criminal offense. Indeed, as Roger Olson, who heads the Justice Dept. office that litigates on behalf of the Internal Revenue Service, told the Wall Street Journal last week, "it is very, very rare" for criminal charges to be brought in such a case.

One could go further and say that it is also "very, very rare" for special investigations to be launched into private organizations raising money for the Sandinistas or the Communist guerrillas in El Salvador.

Where, for example, is the special prosecutor looking into the legal status of organizations like the Nicaragua-Honduras Education Project (which reportedly "sponsors" trips to Nicaragua, mostly for state and local opinion-makers such as elected officials"), or U.S. Out of Central America (which, again according to a press report, actively opposes U.S. policy in Central America by "lobbying elected officials, tours and donations of medical supplies")?

And what of the American volunteers working and possibly bearing arms for the Communists in Nicaragua? Are these so-called Sandalistas (one

of whom was recently killed in a battle with the contras) or their patrons and sponsors breaking or conspiring to break any laws?

In short, private American citizens raising money and lobbying for the Communists in Central America do so with impunity, while private American citizens raising money and lobbying for the anti-Communist democrats there are treated as criminals.

The signs are, moreover, that Walsh will soon begin including government officials as well in this phantasmagoric reversal of the McCarthy period. Just as in the cases of Channell and Miller he

But those giving aid and comfort to the Sandinistas remain untouched

has insisted on turning what would normally be an issue of civil law into a criminal prosecution, so he reportedly intends to criminalize alleged violations by government offi-

cials of the now lapsed Boland Amendment.

The particular version of the Boland Amendment applicable here prohibited any intelligence agency of the government from supporting military operations in Nicaragua with funds appropriated by Congress during fiscal year 1985. The language of the amendment is open to endless dispute. Is the National Security Council an intelligence agency? Does hitching a ride on a government plane, or giving advice on government time, constitute the expenditure of appropriated funds?

Yet suppose that the language were stretched and tortured to yield affirmative answers to all those questions. Suppose further that former officials of the National Security Council were thereby found to have contravened the Boland Amendment. Even so, they would still face no criminal penalties. The reason is that no such penalties were attached to violations of this infamous statute.

Nevertheless Walsh reportedly intends once again to use the highly elastic concept of conspiracy in order to bring criminal indictments against as many officials as possible (one of whom, I guess I am bound to mention here, happens to



NORMAN PODHORETZ

be related to me). And the officials he is after are those who, in what the Tower report aptly described as an ambiguous legal environment but in unambiguous accord with the President's policy, were desperately working to sustain the democratic resistance in Nicaragua during a brief period when Congress had voted to kill it off.

If Walsh were indicting people for actions that are both clearly illegal and customarily subject to criminal penalties, the most he himself could be accused of would be excessive prosecutorial zeal. But if he should go on bringing indictments for actions that were neither clearly illegal nor customarily subject to criminal penalties, there will be no escaping the conclusion that the real "crime" for which he wants to put patriotic American citizens in jail is helping the contras in their struggle to liberate Nicaragua from Communist domination.

Mold a new period

Reagan's Doctrine and the Iran Issue

By Daniel Patrick Moynihan

The Senate Intelligence Committee met for three weeks about the Iran arms sales and diversion of money to the contras. We learned a great deal but, in the end, nothing really. The who and whom have yet to come out and may never do so. Can we not then pause a moment to ask why all this happened?

In a narrow but intensely active circle here there has emerged a consuming obsession with the expansion of Communism — which is not in fact going on. Something else is going on in places where we think we see a Communist threat: convulsive ethnic conflict. We seem to have no feel for that.

It appears to me that we have deeply misread events in the world. We have paid far too much attention to geopolitics and far too little attention to questions of political economy — specifically, to the health of our own economy, which, more than anything else, will determine our capacity to influence foreign policy.

Our misperception is embodied in what has come to be called the Reagan doctrine. It is a large geopolitical idea. As with many positions of the present Administration, the doctrine's antecedents are as much on the political left as in anything to be found as traditional conservatism. Indeed, in its globalism it is hugely at odds with that tradition.

The Reagan doctrine holds that we have entered a third phase in the expansion of the Soviet empire. The first followed World War I, with modest annexations and a general consolidation of the heartland. Considerable expansion took place after World War II. Soon, however, the heartland was encircled by adversary capitalist regimes. In phase three, this capitalist circle is attacked, from the rear, by pre-positioned insurgencies in the third world.

In the words of an address given at the Naval Academy in the spring of 1984 by Robert C. McFarlane, this made "obsolescent" the earlier policy of containment. Because the Soviets were now "militarily strong and adventurous enough to leapfrog the buffer states and jump anywhere in the world that suits their own strategies," it was necessary to go "beyond containment."

Mr. McFarlane was justifying the mining of Nicaraguan harbors and describing the anti-Communist resistance there that gave particular elan to the new doctrine. In an article in Strategic Review, a State Department official put it that the "'Reagan doctrine' has evolved in pace with a remarkable phenomenon of global dimensions: the spontaneous combustion of resistance to direct and surrogate prongs of the Soviet Union's expansion in such disparate regions as Asia, Africa and Central America."

This is all true enough, but it misses the one enormous fact of the third quarter of the 20th century, which is the near complete collapse of Marxism as an ideological force in the world. Nothing quite so sudden or so complete has ever happened. Economic doctrines have faded, political canons have been discarded, but here was an extraordinary world view, thought to be irresistible, maintaining a hold on sectors of opinion in all the great metropolitan centers of the world — of a sudden, vanished.

Instead, we find a world convulsed with ethnic conflict that defeats any Marxist analysis. Whole regions: the Middle East, the Persian Gulf, southern Africa are given over to racial, religious and tribal conflict. We now learn of rioting in Kazakhstan; ethnic turmoil in the Soviet empire will be a central and perilous factor of world politics over the next 50 years.

Such worldwide conflict is endemic to decolonization. One measure: of the 159 United Nations members, there are exactly seven that existed in 1914 and have not had their form of government changed by internal or external violence since 1914.

In this setting, a certain number of internal conflicts will take the form of Communist insurgencies, and of these a certain number will result in Communist regimes. Here a distinction is necessary. When we say that Marxism has collapsed as a world creed, we do not extend that proposition to Leninism.

Leninism, the theory and practice of the single party state, of a government-owned and -controlled economy, of police terror, has proved a brutal but often effective near-term means of mobilization of power in relatively primitive societies. It proved that in Russia; it is proving so in Nicaragua.

For reasons that have been well enough catalogued, Leninism has a

particular attraction for youth of the upper classes. In opposition it is tenacious, and in power both brutally vicious and briefly contagious. But it is not a new phenomenon. It is a residual phenomenon.

Marxist-Leninist insurgencies in the third world are the aftermath of colonial experience that took young Asians to the Sorbonne, Africans to London, Latinos to Barcelona. We may predict that between now and the year 2000 between four and 11 such regimes will come to power. I would, for example, put Haiti on a list of candidates if we don't act. And, of course, sometimes it won't matter if we do act.

What then?

We need a better policy than behaving as if the Western world were at risk. When a small tropical nation goes Communist, we need a better policy than debasing our own conduct in the course of resisting theirs.

There is still to be developed a pattern of response to leftist insurgencies and regimes in the third world. I offer a simple typology. Ignore them where possible. Isolate them where not possible. And if the resources can be found, do everything possible to surround them by success. Soviet military expansion is different. Yes, America should supply arms to the Afghans. But Suriname? We just don't have the resources — for example, the President's time.

It is time for America to attend to economic resources. We have not done so in this decade. To the contrary, it will be recorded of us that in the 1980's America borrowed a trillion dollars from the Japanese and gave a party.

Well, the party will soon be over. And unless we act with far greater clarity than we have shown of late, we will soon learn that the world's largest debtor nation does not decide world policy, and that a deindustrialized America can no longer be the arsenal of democracy, much less the terror of the terrorists.

Political economy is the name of the next task, not geopolitics. This will be missed by those who do not understand that the latter derives from the former. With great respect, they will not be missed. □

Daniel Patrick Moynihan, Democrat of New York, will become a member of the Senate Foreign Relations Committee next month.

ignores what about left wing insurgencies that afterwards hook up with S.O. J. What about Nicaragua, Angola et hoc J.V. since upon the political status?

WASHINGTON POST 20 DECEMBER 1986 Pg.14

Lawyer for Iran Figure Says Stolen File Recovered

United Press International

CUPERTINO, Calif., Dec. 19—A stolen legal file about Albert A. Hakim, a key figure in the Iran arms controversy, was returned by a man who put it in an airport locker and left the key for Hakim's lawyer, the attorney said today.

Hakim, a Los Gatos businessman, is reported to have helped fired National Security Council aide Oliver L. North transfer funds from the profits in the Iran arms sales to aid the Nicaraguan rebels.

Attorney Horace Dunbar, whose

office the file was stolen from last Saturday night, said he got a phone call Thursday from a man who said he wanted to return the file.

The anonymous caller told Dunbar to meet him near Gate 70 at San Francisco Airport. When Dunbar arrived, the man departed but left behind a key on a chair. The key opened locker No. 1019, in which Dunbar found part of the file.

Today, the caller phoned again, Dunbar said. "I then agreed to some conditions and went back to the airport and found the rest of the file in the locker, with the exception of some newspaper clippings," Dunbar said.

INQUIRY...CONT.

any other related allegations that might come to his attention, including "any obstruction of the due administration of justice, or any material false testimony or statement"

Asked if he had any views on the proposed grants of limited immunity to North and others in return for their testimony before Congress, Walsh said, "None that I want to express." He said he expects to confer with House and Senate leaders "to minimize any possible conflicts" between the congressional probes and his.

First contacted by the court about the job on Dec. 11, Walsh said he was "asked briefly" about the mandate he was given but had "very little input I've just seen it this morning."

Asked whether he plans to talk to Reagan, Walsh said, "I obviously will need cooperation and information and help from the executive branch. I will talk to anyone necessary to achieve that objective."

Walsh, who received his undergraduate and law degrees from Columbia University, began his prosecution career in 1936 as a state investigator in New York. He served in the Manhattan district attorney's office under Thomas E. Dewey from 1938 to 1941 and later as counsel to Dewey when he was governor of New York.

Named by President Dwight D. Eisenhower to a federal district judgeship in 1954, Walsh resigned 3½ years later to become deputy attorney general.

Then-attorney general William P. Rogers, who worked with Walsh under Dewey in the 1930s and recruited him to the Justice Depart-

ment, called him "an excellent choice" to be special counsel. He said Walsh was responsible for screening Eisenhower's judicial nominees from 1957 to 1961.

"He's tough," said Rogers, who headed the panel that investigated the shuttle Challenger disaster. "He's a no-nonsense fellow. He tried cases against some of the best criminal lawyers around. People would say he looks like a mild-mannered fellow, but he's a tiger."

After Eisenhower left office, Walsh spent the next 20 years with the Wall Street law firm of Davis, Polk & Wardwell. In 1969 he served briefly with Henry Cabot Lodge as President Richard M. Nixon's representative at peace talks with the Vietnamese communists in Paris.

Walsh took sides that year in the fierce battle over Haynsworth, Nixon's first Supreme Court nominee. Testifying in the Senate as chairman of the American Bar Association's judicial screening committee, Walsh said the panel had found Haynsworth "highly acceptable," but the Senate rejected him.

The following year the ABA panel gave a "qualified" rating to Nixon's second unsuccessful nominee, Carswell. Walsh said yesterday that he testified for Haynsworth and would do so again, but he did not testify for Carswell. He also noted the panel had rejected two other Nixon candidates for the high court.

In 1972, Senate Democrats criticized Walsh for intervening with his friend, then-deputy attorney general Richard G. Kleindienst, on behalf of ITT Corp. Walsh helped persuade Kleindienst to delay an

appeal of a controversial antitrust suit against ITT.

Walsh, whose friends call him "Ed," served as ABA president three years later. He moved to Oklahoma City, his wife's hometown, in 1981, and is now of counsel to Crowe & Dunlevy, oldest and largest law firm in Oklahoma.

"Ed is just an outstanding litigator," said Robert Johnson, the

firm's president. "He's a very meticulous individual. He usually manages complex, multistate litigation."

A controversial incident that began in 1982 involved Walsh's role as lead counsel for Merrell Dow Pharmaceuticals in lawsuits over Bendectin, a drug that some women have alleged caused birth defects in their children. Walsh has also been a director of the company.

Allen J. Eaton, a Washington attorney for a Bendectin plaintiff here, called Walsh's handling of the case "deplorable It was a vicious, nasty business throughout."

Eaton was referring to Walsh's use of a secretary in the law firm of an opposing counsel in the case as a witness against the opposing counsel's client. Eaton said Walsh's firm provided financial support to the woman, whose disputed testimony disrupted the case and contributed to a decision by the presiding judge to disqualify two plaintiffs' lawyers for whom the woman worked.

Opposing lawyers in that case tried to disqualify Walsh on grounds that he had endorsed the presiding judge, Norma Holloway Johnson, for a federal judgeship while on the ABA screening panel and had failed to disclose that fact. Walsh argued that his role in the endorsement was routine.

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The McFarlane Mission Becomes Juicy Politics

"For a long time," a participant in the U.S.-Iran talks said in conversation this week, "it had been clear to us that the instability in Iran did not serve the American interest. The benefits of trying to improve the situation were clear. But there was no evidence of elements in the country that could bring about the change.

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Thus began the talks—complete with hostages and munitions—that now have Washington agog. The inside story is just starting to emerge. Substantively, it now seems, there was less to these talks than meets the eye. But a lot of people think the episode is the weapon they need to begin rolling back the Reagan foreign policy.

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By Suzanne Garment

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The message had a second part, though: The Iranians needed arms to build support among the military. Mr. Reagan said that there would be no weapons, but that if talks matured, the U.S. might see the use of some "military underpinnings." He said that there was nothing wrong with aiding Iranians who opposed a policy of terrorism. The U.S. hostages in Lebanon were much on his mind.

The Iranians asked again for arms. Mr. McFarlane said no: The U.S. did not sell arms to Iran. But, asked Mr. Kimche, if the Israelis made such sales, would the U.S. sell Israel replacements? Mr. McFarlane said the U.S. was not about to stop selling equipment to Israel.

The Iranian go-between said that he wanted a meeting, with no talk of arms. Mr. McFarlane and National Security Council staffer Oliver North went to the London meeting in December, just after Mr. McFarlane had resigned his post. The Iranian asked for arms after all.

Mr. McFarlane left and later recommended that the U.S. stop dealing with the man.

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But contacts continued. By April 1986, new national security adviser John Poindexter thought the U.S. had a deal. It included a preliminary hostage release and arms delivery. He asked Mr. McFarlane to go to Tehran to start political talks once the hostages were out.

Mr. McFarlane and Mr. North flew from Washington via Israel. On the flight from Israel to Tehran, they found out, they would have to share space with boxes of military parts. They got on anyway.

In the former Tehran Hilton, with a view of rusting cranes dotting the city skyline, the deal collapsed. A fourth-level Iranian official came to talk. The Americans protested. A third-level man then arrived—to set up an agenda, he said.

Two days later a second-rank official showed up. He said the Lebanese actually holding the hostages had new demands. They wanted their comrades out of Kuwaiti jails. They wanted Israel out of southern Lebanon.

The Americans left the next day.

The story of the talks does not show an administration that set out to bargain for hostages. In the beginning the release of the hostages was at most a pre-condition for talks, not an agenda item.

The story does show an administration willing to have arms used as negotiating grease. Is this sort of clandestine inconsistency with the public policy immoral in itself? Of course not, especially with the state of public discourse what it is today. It depends on what you can expect to happen as a consequence and what you can expect to get in return.

But what happened to these positions shows why something like the Iran deal is akin to the precarious mating of storks. The hostage "pre-condition," despite great effort, did not remain a pre-condition in any sense visible to the naked eye. By the end of the dealings it was in the same messy package as everything else.

As for the arms, a nation ruled by factional intrigue is bad at keeping secrets. The arms arrangement, revealed, has been a dazzling boon to Mr. Reagan's foes. Opponents can hammer away at the shady Israel-Iran connection, call him soft on terrorist states, and accuse him of abusing the National Security Council.

Some say that Iran will be Mr. Reagan's Watergate, but don't be so sure. The interesting part of the tale starts only now, with Mr. Reagan's TV defense of his mistake. The same press now critical of the president has for years been hammering at the story of the hostages' plight. Americans might not have it in them to condemn Mr. Reagan for letting compassion toward the captives pull his eye off anti-terrorist consistency.

To whatever extent the Iran deal became a trade of arms for hostages, it clearly was from the first aimed at strategic purposes. In those terms, the administration can be faulted for launching an undertaking with the risks so grave and the chances of success so slim. But if the administration gets a breathing space, some people may start saying that it is not the worst crime to play a long shot and lose.

Arms and the Imam

Now that everyone has had ample chance to exercise an opinion about the wisdom and morality of President Reagan's recent policy in Iran, perhaps we can spare a moment to talk about the geopolitics of the place.

Iran still sits where it always has, whether ruled by the Ayatollah Khomeini, the Shah Pahlavi or Darius the Great. Which is to say, on the Persian Gulf, the source of almost 40% of the world's oil exports. Even more specifically, between the oil fields and the Soviet Union. In population, Iran is, along with Egypt and Turkey, among the largest Islamic countries in the area. It has the largest army on the gulf. Despite the deprivations of the Ayatollah, it has a substantial educated elite, including a Western-trained military.

Iran's geography also places it next door to Afghanistan, the nation the Soviets have most recently invaded. If the Soviets are capable of overflying Iran, the distance between their bases and the gulf is 725 miles. The U.S. has little military presence in the Gulf, and any substantial support would have to come by airlift from the continental U.S., 10 times as far away. By some careful estimates, the Soviets could have four airborne divisions on the ground before the first U.S. plane arrived. The Shah's air force controlled the routes the Soviets would have to fly to the gulf and the oil reserves, and his mountains housed American radars monitoring Soviet strategic weapons. In geostrategic terms, the fall of Iran was far more damaging than the fall of Vietnam, rivaled in recent decades only by the Communist conquest of Cuba.

The Ayatollah Khomeini, the ruling tyrant, is 86 and has reportedly had several heart attacks. Seven years of war and religious tyranny have devastated the economy and civilian morale. Clandestine anti-Ayatollah radios are broadcasting from Iranian territory. If the Ayatollah dies and factional struggles break out, there is no telling what will happen in that country. A war victory by Iraq might spread Shiite fundamentalism, but a defeat might bring chaos and Soviet intervention. Which would you rather have on the Gulf?

Now, should the president consider making an approach to Iran, trying to find some potential Deng Xiaoping? The answer to this seems to us obvious, given the stakes involved and even admitting long odds against success.

Is advancing this chance worth shipping some anti-tank weapons and spare radar parts to Iran? A closer question, but in our judgment a less hostile Iran would clearly be worth this part of the gamble.

Now, what about the hostages? Should the president have said he would ship the arms only if the hostages are not released? Should he have refused any dealing with the Iranians, on William Safire's grounds that the whole country is a "big body"? Should we punish the Iranians by letting them get their noses stuck in it? Should we refuse to traffic with "The Great Satan" in Tehran? Just where is this Watergate that threatens the future of the Reagan administration?

Did Mr. Reagan mistake the attempt? Well, clearly he failed in the sense that his cover was blown, and this has caused great ferment and lasting damage. The cover was blown by the Syrians, who unlike Iran are in military control of the territory where the hostages have been seized and presumably are being held. Not so incidentally, headlines about Syrian terrorism in Britain have been swept off the front pages. To some extent, we suppose, this was predictable. If the proposal had been run through enough committees at the State Department and the Congress, someone could have predicted what would happen if the project were revealed with a hostages-for-arms spin. That American TV networks would be seeking out Danish seamen to attribute every arms shipment to Iran to the president, that Democrats would use the issue to settle their scores on Nicaragua, that the Bill Safire conservatives would seize the occasion to denigrate a first independent by dismissing Mr. Reagan.

Understandable, we suppose, given the drama of hostage-taking in Iran that did so much to destroy Jimmy Carter's presidency. The Carter example certainly shows that a president's foreign policy can be dominated by hostage-taking, certainly shows the danger of allowing the hostage issue to overwhelm actual national interests. And at some point in the negotiations, we suspect President Reagan did indeed let concern over hostages get the better of him. But who is the most guilty of letting the hostages issue cloud geopolitical realities? Not the president, but his critics.

By ANWAR NASIR

TEHRAN — Even as Iranian Foreign Minister Ali-Akbar Velayati was off in New York recently telling reporters his country was set to occupy Iraq, his government had imposed rationing on gasoline for local consumption, and oil exports had fallen to 800,000 barrels per day (bpd), compared with 1.2-1.5 million bpd last year.

Unlike Iraq, which receives the majority of its weapons from the Soviet Union, Iran has no reliable supplier. It has become resourceful at acquiring what it must, often buying on the black market, paying enormous sums for outdated machinery. The Iranian network of suppliers reaches far, from China and North Korea to Israel. Iranian facilities and personnel are equipped to utilize the American-made arsenal left over from the days of the Shah, but Iran has become so desperate that it is willing to purchase arms for which it has neither facilities nor personnel.

China has become one of Iran's largest suppliers. Washington has revealed that Iran has signed an agreement to buy arms from China, including a Chinese modification of the Soviet MiG-21 fighter. Both clandestine and open flights to Peking and Tokyo are telling of a flourishing trade (both military and nonmilitary) with northern Asia. Iran's alleged connection with Israel has always been denied by both parties, but frequently soured surreptitious flights from Iranian cities to Tel Aviv leave little room for doubt that Iran is buying spare parts and material from Israel.

Air Power Favors Iraq

Iraq now has a superiority in air power—Iraq's estimated fleet of 70 aircraft in working condition is swarved by Iran's 450-600. Thus, by carrying the war into the Persian Gulf, Baghdad has moved it to where it has significant advantage, and has struck at Iran's economic lifeline. Where a numerical superiority favored Iran on the battlefield, air power will now favor Iraq. By bringing the conflict into the gulf, Iraq also will be able to rally more support from its backers, Kuwait and Saudi Arabia, whose sole interest in the war is to keep the Iranian menace as far away as possible.

In Iraq, the situation is different. Iraq's military is the largest in the Middle East, and its economy, which has tried to keep the war at the front and away from home. Consumer imports have been drastically cut by Baghdad, but com-

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Enough Talk! What

Three weeks ago, Attorney General Edwin Meese III spoke out on the responsibility of management to curb drug abuse in the workplace. His message was obscured by an outcry against what ACLU Director Ira Glasser referred to as "a totalitarian kind of response which will injure tens of millions of innocent people in an attempt to find the few who are using drugs and alcohol."

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The story of the talks does not show an administration that set out to bargain for hostages. In the beginning the release of the hostages was at most a pre-condition for talks, not an agenda item.

The story does show an administration willing to have arms used as negotiating grease. Is this sort of clandestine inconsistency with the public policy immoral in itself? Of course not, especially with the state of public discourse what it is today. It depends on what you can expect to happen as a consequence and what you can expect to get in return.

But what happened to these positions shows why something like the Iran deal is akin to the precarious mating of storks. The hostage "pre-condition," despite great effort, did not remain a pre condition in any sense visible to the naked eye. By the end of the dealings it was in the same messy package as everything else.

As for the arms, a nation ruled by factional intrigue is bad at keeping secrets. The arms arrangement, revealed, has been a dazzling boon to Mr. Reagan's foes. Opponents can hammer away at the shady Israel-Iran connection, call him soft on terrorist states, and accuse him of abusing the National Security Council.

Some say that Iran will be Mr. Reagan's Watergate, but don't be so sure. The interesting part of the tale starts only now, with Mr. Reagan's TV defense of his mistake. The same press now critical of the president has for years been hammering at the story of the hostages' plight. Americans might not have it in them to condemn Mr. Reagan for letting compassion toward the captives pull his eye off anti terrorist consistency.

To whatever extent the Iran deal became a trade of arms for hostages, it clearly was from the first aimed at strategic purposes. In those terms, the administration can be faulted for launching an undertaking with the risks so grave and the chances of success so slim. But if the administration gets a breathing space, some people may start saying that it is not the worst crime to play a long shot and lose.

The McFarlane Mission Becomes Juicy Politics

"For a long time," a participant in the U.S.-Iran talks said in conversation this week, "it had been clear to us that the instability in Iran did not serve the American interest. The benefits of trying to improve the situation were clear. But there was no evidence of elements in the country that could bring about the change."

"The first real promise came in the summer of 1985."

Thus began the talks—complete with hostages and munitions—that now have Washington agog. The inside story is just starting to emerge. Substantively, it now seems, there was less to these talks than meets the eye. But a lot of people think the episode is the weapon they need to begin rolling back the Reagan foreign policy.

For some time the White House had been looking for ways to get more influence over Iran's future. In summer 1985, the search turned up an Iranian named Ghorbanifar. He said he spoke for high Iranian officials who favored fundamental change and wanted contact with the U.S.

This man had proved to be a reliable source of information. Through Israeli diplomat David Kimche his message went to then U.S. national security adviser Robert McFarlane and to the president.

Mr. Reagan said that of course the U.S.

Capital Chronicle

By Suzanne Garment

should be open to political dialogue with Iran. "Some people," a second U.S. participant in the talks said of this early phase, "talk as if this whole project were an Israeli invention. They are wrong."

The Iranians soon sent more word: They were willing to show good faith by releasing U.S. hostages. Mr. McFarlane told Mr. Kimche that until the release, no talks could even begin.

The message had a second part, though: The Iranians needed arms to build support among the military. Mr. Reagan said that there would be no weapons, but that if talks matured, the U.S. might see the use of some "military underpinnings." He said that there was nothing wrong with aiding Iranians who opposed a policy of terrorism. The U.S. hostages in Lebanon were much on his mind.

The Iranians asked again for arms. Mr. McFarlane said no: The U.S. did not sell arms to Iran. But, asked Mr. Kimche, if the Israelis made such sales, would the U.S. sell Israel replacements? Mr. McFarlane said the U.S. was not about to stop selling equipment to Israel.

The Iranian go-between said that he wanted a meeting, with no talk of arms. Mr. McFarlane and National Security Council staffer Oliver North went to the London meeting in December, just after Mr. McFarlane had resigned his post. The Iranian asked for arms after all.

Mr. McFarlane left and later recommended that the U.S. stop dealing with the man.

new national security adviser John Poindexter thought the U.S. had a deal. It included a preliminary hostage release and arms delivery. He asked Mr. McFarlane to go to Tehran to start political talks once the hostages were out.

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and almost everyone else's foreign policy universe. He said that his program of peace through strength was working and that voters could make it work even better by electing his party's candidates. Voters, their minds evidently more on other matters, declined to do so, but arms control still looks like the hot political item for the remainder of his presidency.

Yes, arms control, or arms reduction, is important, perhaps less for the quantity or quality of it than for the sense it can impart of our being competent to manage some part of our destiny. And no one should underestimate the peskiness and the lacerating potential of the disputes boiling away in the Third World.

Still, more power to those politicians who, without ignoring these issues, invest in the economic approaches, as distinguished from the foreign policy approaches, to tending the balance of power. Good for retiring Sen. Gary Hart, a practiced national security hand whose statement the morning after the elections centered on economic renewal. Does Hart, who's running for president, think it's good politics? For all of our sakes, we can hope it is.

And this suggests that the shape of post-Reagan politics may be quite different from what we suppose.

Just look at what has happened in the two years since Reagan was reelected. In 1985, the Republican candidate for governor of New Jersey, a state that had Republicans in the statehouse only 12 of the previous 32 years, swept every city and carried 60 percent of the black vote. In that same election, Democrats won Virginia, which had gone Republican in every presidential election since 1964, with a slate including a black for lieutenant governor and a woman for attorney general.

Last Tuesday, the implausible became almost commonplace: The voters of Alabama turned out of office a decorated war hero/Republican senator and at the same time elected, as their first-ever Republican governor, a former door-to-door salesman who never held office outside his home county.

The redneck Democratic counties of the Florida panhandle provided the votes that helped make a Spanish-surnamed Republican the governor of that state.

A southern-accented Democratic woman was elected to the House in that cradle of corporate Republicanism, Rochester, N.Y.

Charles Krauthammer

Government As Rescue Squad

When Lyndon Johnson sent the Marines into the Dominican Republic in 1965, the official justification was to safeguard and evacuate endangered Americans. To no one's surprise, our boys stayed on a bit to put down a communist threat and install a friendly (and, mind you, a democratic) government. That is how we used to do things: when for traditional geopolitical reasons we needed to intervene, the rescue of Americans was a convenient pretext.

Rescue is a pretext no more. It has become an end in itself, a primary, obsessive end of American diplomacy. In the process, American foreign policy has become a slave to hostages. From the Vietnam POWs to the Mayaguez, from the Iranian to the TWA hostages, from Nicholas Daniloff to David Jacobsen, American diplomacy has moved to an astonishing degree from the traditional pursuit of national interest to the rescue of individuals. We have become an international rescue squad.

And now, with the McFarlane mission, the individualization of American foreign policy reaches its apex. Iran has revealed that, in September, President Reagan sent Robert McFarlane and four others on a bizarre diplomatic mission to Tehran. According to the speaker of the Iranian parliament, they came bearing Irish passports, a Bible, a cake in the shape of a key (it never reached its destination: hungry revolutionary guards polished it off at the airport)—and a planeload of weapons.

Which brings us to the bizarre part: the deal being discussed. In exchange for helping to "curb terrorism" and release American hostages held in Lebanon, the United States helps Iran get spare parts for its war against Iraq. Now, nothing would be more destructive to American interests in the Persian Gulf than an Iranian victory over Iraq. And nothing prevents that outcome more than Iran's technological inferiority. The high-tech weapons bought by the shah are on the shelf for lack of spare parts. Restoring the flow could be a crucial factor in helping Iran win the war.

Which is exactly why the mullahs are swallowing their hatred for the Great Satan and offering to deal. (The mullahs, also desperate for money, are demanding \$500 million in frozen assets and U.S. help in raising oil prices.) After six years, they are just short of toppling Iraq. Any

*"Hostage families
should not make*

foreign policy.

The heirs to the Stevenson and Scranton political dynasties failed in bids for the governorships their fathers held when they ran for president, one because political extremists forced him to leave his own party and the other because he could not escape his youthful experiments with drugs and spiritualism.

In an orgy of ticket-splitting, the voters of Maine helped a Democratic governor and a Republican congressman swap jobs. Their counterparts across the country ordained that 26 of the 50 governors face a legislature in which at least one chamber is controlled by the opposition party. (In 17 of them, the governors, like Reagan, will have both houses in opposition hands.) And just to certify their fickleness, they even split the governor's and lieutenant-governor's jobs between the two parties in 16 states.

As if all that were not enough, the states of Idaho, Oregon and Washington, where Jimmy Carter lost every time his name was on the ballot for a primary or general election, saw three of his former Cabinet members win tough elections for governor or senator on the same day.

Now that all those "impossibilities" have come to pass, it would be foolhardy to think that any political options are foreclosed in the twilight years of the Reagan era. The surest bets for the presidential nominations may prove to be the most vulnerable, the wildest dark horses may have the speed to win. There's only one sensible piece of advice as we head toward the 1988 election: Hold on to your hat.

marginal boost to their war effort could be decisive.

For the United States, preventing Islamic fanaticism from sweeping through the Persian Gulf is a crucial national interest. And yet, as a ransom for hostages and protection money against future terrorism, we are considering altering our policy, tilting toward Iran and thus jeopardizing that interest. (And more than just considering. The Post reports that the release of three American hostages in Lebanon over the past 14 months followed secret shipments of military cargo to Iran.) Such a capitulation would constitute an appalling act of dereliction.

Easy for me to say. What if I had a loved one being held hostage in Beirut? Wouldn't I be screaming for the government to do anything necessary to get the hostages back? Of course, I would. Families are right to use every instrument they can to force government to capitulate.

Which is why hostage families should not make foreign policy. Victims' families don't decide the punishment of *domestic* criminals. Courts do that. Courts were invented so that the general interest (it is "The People"—not "The Victim's Family"—v. John Doe) would replace private vengeance. Diplomacy was invented to secure the general safety of the nation, not the safety of individuals.

Why has our diplomacy been turned on its head? To a certain extent, all societies are concerned about rescuing individuals. (The urge is particularly compelling, and most justified, when the individuals are POWs and others captured in service to country.) All the more so in America, where individualism is a uniquely powerful creed. But these are still insufficient explanations for the rescue fixation of American foreign policy of the last 15 years.

The power of television is, of course, one factor. On video, such abstractions as national interest or collective security have no meaning. They cannot be represented in pictures. A grieving family can.

More important, however, is leadership, a failure of leadership. It takes courage to risk the safety of visible, countable individuals in the name of some larger, national purpose. Wartime leaders—Lincoln and Eisenhower—had precisely that kind of courage. Courage is not to be confused with callousness. Preferring nation over individual was a decision they made with great agony. But they made it.

We are unwilling to. And so long as we are, America will remain hostage, by choice. In exchange for considerations that include shipments of military equipment to Iran, three American hostages have been released in Lebanon during the past 14 months. During the past *two* months, three new Americans hostages have been seized in the streets of Beirut. This is commerce without end.

nontraditional relationships, you still might question the appropriateness of the book.

As one conservative lawmaker put it, "Promiscuity is encouraged by saying that people don't need to be married to have children. I'm fighting a rear-guard action to protect the family unit."

Is it fair to link homosexuality with promiscuity? Is it bigoted to suggest that exposing children to homosexuality as a legitimate and benign sexual preference may tempt at least some of them into homosexuality? Or is sexual preference beyond the reach of such influences?

The truth is, we don't know. Some people (it seems to me) are all but unavoidably homosexual; some seem all but unalterably heterosexual. But isn't it just possible that some people do choose one or the other? And if that is true, and if it is also true that heterosexuality is the choice a society ought to prefer, then isn't there some risk in the schoolroom use of such works as "Eric and Martin"?

There's no question that "marriages do break up, and parents do set up with partners of the same sex."

The question is whether it is in the interest of society to normalize such arrangements. You don't have to be a reactionary to doubt it.

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BY DANZIGER

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George F. Will

Arms For Hostages: The Plot Sickens

Does that elderly, angular gentleman of disheveled aspect, leaning on yonder lamp-post, look familiar? He should. He is Uncle Sam. He may be standing tall, but he would not be standing at all were it not for the lamp-post. He has been on a two-month toot and is in for a fearful hangover.

The decision to approach Iran, with an eye on the post-Khomeini era, was defensible, if perhaps premature. The decision was made last year. Recently, however, it became entangled with, and subordinated to, the project of releasing hostages. And here the plot thickens, and perhaps sickens.

This nation's foreign-policy bender began in September with the administration seized by another hostage obsession. The Daniloff debacle culminated in an improvised summit at which the gravest issues—elimination of ballistic missiles; elimination of nuclear weapons—were raised in a manner so slapdash that no one seems sure what happened. If the administration really believes it came close to world-transforming agreements in Iceland, it has an unconservative tendency to exaggerate the tractability of the world, or it has a dangerous penchant for improvisation and chaos in its policy-making procedures. And chaos begets chaos.

Within days of the Daniloff swap, hostage David Jacobsen was seen on videotape denouncing the administration for not doing as much for Americans held in Lebanon as was done for Daniloff. Hostage-takers are encouraged by successes of the sort the Soviet Union had in jerking around the Reagan administration. Imagine the brisk business in hostages, now that weapons are the coin of that commerce.

The Iranian episode has come to light just as Democrats are coming to power in the Senate. The power of investigation, even more than of legislation, may soon be the principal Senate thorn in the administration's side.

There is going to be a long, lively row about the wisdom of trading arms for hostages, and of trading with the Iranians through Israeli intermediaries. Certainly by paying for hostages in the coin of military materiel, U.S. policy spares Iran the necessity of making a policy choice. Iran can get necessities and remain hostile to the United States. What especially demands scrutiny is the riddle of how U.S. policy—whatever it is—is made.

In "Cadillac Jack," a picaresque novel about, among other things, Washington mores, Larry McMurtry describes Washington as "a graveyard of styles," a city of museums in which the defining attitudes are curatorial. In the Iranian episode, someone seems to have rummaged in the

McFarlane on Why

Let me ask you to take part in a decision-making exercise such as takes place in your government often. This theoretical problem will involve whether or not to take a risk that if successful will provide enormous benefits for the country, but which if unsuccessful and misunderstood could result, at a minimum, in great embarrassment and, more likely, in a considerable setback to U.S. relations with allies and to your relations with Congress. This kind of situation—where the potential gain is very high but where information is incomplete and risks are high—is not uncommon in government. But let's get on with the scenario.

It begins with the arrival in your office one day of a foreign diplomat who reports that a third government of great strategic importance with whom you have no relations has expressed an interest in a dialogue to determine whether or not common interests exist that may make possible a *modus vivendi*, a renewal of stable relations.

You are concerned, for this involves a country whose government has recently gone through a very violent revolution in which the government killed literally hundreds of thousands of its own people and where there is no certain basis for confidence that the people you might deal with carry real authority, or will deal in good faith, or will be able to make good on their commitments.

Furthermore, it is a government that at this very moment is involved in supporting elements in third countries that are engaged in killing Americans. And the diplomat urging you to do this also

makes clear that there will undoubtedly be a quid pro quo involved—you will have to pay something for this, probably in the domain of security assistance of some kind, for the country in question is locked in a strategic struggle with its neighbor. At the same time, there is no question but that if such a dialogue were to develop and be kept clandestine for long enough to identify a set of milestones for renewing stable relations, the strategic interests of the United States would benefit enormously.

The question for you is: "Would you agree to go to a first meeting as suggested by this foreign diplomat?"

It isn't too presumptuous to assert that most of the readers of this column, given the events of the past few days, would cluck self-assuredly at this scenario and say, "Of course not, what do you take me for?"

Of course the scenario isn't theoretical; it has happened, and the government decided to go ahead with the clandestine contacts. The country was China, and today most people credit the secret diplomacy of Dr. Henry Kissinger with giving us one of the most dramatic diplomatic triumphs ever achieved in our history.

My point here is not to assert the China experience as a perfect analogue to recent efforts toward Iran. But the basic issue was the same. Nurturing a strategic reorientation in a country's policy requires discretion, judgment and patience. And it is never risk-free.

—Robert C. McFarlane

Smithsonian's attic and dusted off not only a Henry Kissinger insight, but also a Kissingerian style.

Iran is, in Kissinger's formulation, "the China of the Nineties." That is, Iran will be what China was in the Seventies: a large, important nation contiguous to the Soviet Union and therefore in need of Western friendship. That formulation is timely coming from Kissinger who, as national security adviser, did a sweeping end run around an unaware Secretary of State William Rogers in preparing the opening to China 15 years ago.

Rumors that the dealings with Iran have, or had, Secretary of State George Shultz distressed to the point of considering resignation raise three questions: what did he know, when did he know it, what did he do about it? And episodes like this are reminders that our national attic contains few specimens of resignation styles.

It was a policy concerning hostages and Iran—Carter's attempt to rescue the hostages—that provoked the most recent policy-related resignation of a senior official. Cyrus Vance lost an argument within the Carter administration concerning what he considered a core value, and departed with dignity.

person, James Madison, George Mason—should be the site of a presidential nomination. And because the District of Columbia has voted solidly Democratic since its citizens were given the ballot, the Democratic

Edwin Meese III

The Tulane Speech What I Meant

On Oct. 21, I gave a speech at Tulane University titled "The Law of the Constitution." Its main theme concerned the distinction between the Constitution, which, in its own words, is "the supreme law of the land," and constitutional cases. On Oct. 29 The Post commented that what I said was "self-evident" and something "everyone knows." Nonetheless, The Post was worried about what I did not say, and asked: "Why Give That Speech?"

The burden of The Post's editorial concerned what I believe about the force of Supreme Court decisions. Does a ruling have general applicability beyond the case itself? May public officials and private citizens choose to ignore them at will? Putting the worst construction on what I did not say, The Post wondered whether the speech might be "an invitation to constitutional chaos and an expression of contempt for the federal judiciary and the rule of law."

I believe it is important not only to put these concerns to rest but also to emphasize again the point of the speech—that our Constitution is the supreme or paramount law of the land.

Supreme Court decisions do, of course, have

Taking Exception

general applicability. In addition to binding the parties in the case at hand, a decision is binding precedent on lower federal courts as well as state courts. Further, such decisions, as Lincoln once said, are "entitled to very high respect and consideration in all parallel cases" by the other departments of government, both federal and state. Arguments from prudence, the need for stability in the law, and respect for the judiciary will and should persuade officials of these other institutions to abide by a decision of the court. It would be highly irresponsible for them not to conform their behavior to precedent.

I quite agree with The Post that, for example, the general principle laid down in *Brown v. Board of Education* governed not only Kansas, whence the case arose, but also all other states that had segregated schools. Or to use an example of a decision with which I do not agree, *Roe v. Wade* struck down Texas abortion law, but also contained a principle that officials in other states were obliged to apply.

Constitutional decisions by the court are not "the supreme law of the land" in the sense that the Constitution is. But they are law, as I said at Tulane, and they are the law of the land in the sense that they do indeed have general applicability and deserve the greatest respect from all Americans.

So "why give that speech?" The Post's editorial was in a sense answered by a letter to these pages by a law school dean, who seemed to deny the distinction between the Constitution and constitutional law. While The Post believes that what I said was "self-evident" and something "everyone knows," obviously this is not the case.

It remains necessary now, just as it was three weeks ago in New Orleans, to explain this distinction. There is an unfortunate tendency, as demonstrated by the dean's letter as well as other commentary on the issue, to confuse constitutional law with the Constitution. To the degree government officials and private citizens publicly discuss these issues, we will encourage the people of a nation to focus on that most basic question: what the Constitution? This surely will help make the upcoming bicentennial celebration one that honors our fundamental law.

Perhaps the easiest way to understand the necessary distinction between the Constitution and constitutional law is by reflecting on a key difference: respect to how each may be changed. Article V of the Constitution provides the only means for changing the Constitution: the amendment process, which American people have used 28 times in almost 175 years. While this "solemn and authoritative" process is the only way to alter the Constitution itself, actions, including litigation, are available for so-called changes in an erroneous constitutional decision by court.

Obviously, if this were not the case, the court would be straitjacketed, unable to recon-

Edmund S. Muskie

Democrats: Pick Washington

Washington is expecting some very important company today. Our red carpet is out for 88 Democrats from all walks of life who have been assigned the job of choosing the site for the nation's 1988 presidential

On the matter of security, let's admit that our conventions are different from the other party's. There are many more points of view in the democratic Democratic Party. We like it that way, but it can get



Richard Basil Mock

Immigration Law

's traditional growth percent a year — are a vast. This leaves young without jobs and facing options — delinquency, the United States.

reason for the slowed Mexico's huge foreign debt. Mexico has become a net capital. Instead of supplementing savings with re- abroad, Mexico has ng out more resources in. This has occurred h capital flight and e of a generalized lack

Lead to rains Mexico

in the Mexican econ- y because of debt serv-

, the Reagan Adminis- enormous pressure on ors to stitch together After strenuous arm- creditors agreed, and e nearly \$14 billion in en now and the end of e, this should guaran- exican economy will ercent next year, and n 1988. But in reality, s contracting — per- h as 6.5 percent this purchasing power of

debt and forcing it to meet higher interest payments in coming years. No conceivable United States legislation could do as much to stimulate illegal immigration from Mexico, and no new law can stem the tide arising from this dire state of affairs.

Much more effective in the long run than the immigration act would have been a bold, new solution to Mexico's debt crisis — perhaps a 30 percent write-off over the next decade. Such a solution would not severely affect most American banks. But it would allow the Mexican economy to grow again and would permit badly needed structural reforms.

As it is, the immigration act will also create new strains in Mexican-American relations. There will probably not be any mass deportations, certainly not before early 1989, when the employer sanctions clause of the law begins to be enforced. Indeed, the new legislation may imply an increase in illegal immigration, since many Mexicans will try to enter the country and find jobs before October 1987, when hiring them becomes illegal.

But the act will undoubtedly exacerbate the racist, xenophobic sentiments that are increasingly common in border areas and other regions with large Mexican communities — sentiments that can only fuel growing anti-American resentment in Mexico. This means that both governments run the risk of being overwhelmed by rising nationalist currents. No good can come of this, and it makes an ineffective immigration act worse than futile — one more source of friction in an endlessly tense and combative relationship. □

ESSAY | William Safire

Tar Baby Strikes Again

WASHINGTON
One difference between French appeasement and American appeasement is that France pays ransom in cash and gets its hostages back while the U.S. pays ransom in arms and gets additional hostages taken.

Another difference is that the French have long been brazen in their willingness to succumb to blackmail; Mr. Reagan plays the hypocrite by adopting a tougher-than-thou public attitude toward terrorist states while secretly caving in to their demands.

Other nations handle appeasement of Iran in their own way. With 50,000 Jews in Iran, Israel has a much larger if subtler hostage problem; moreover, Persians are Moslems but not Arabs, and have traditionally traded with Israel when the Arab world froze Jews out. Thus it is in Israel's interest to keep secret ties to elements in Iran, thereby pressuring the common Iraqi enemy, but at the same time protecting itself against Iranian fanatics. Such a straddle suits a Jewish state hardened to the duplicities of the Middle East.

The Saudis, too, have recently offered their sop to Cerberus by double-crossing their Arab brethren. A year ago, to help fellow Arabs in Iraq by denying oil revenues to Iran, King Fahd directed Sheik Yamani to slash the world price of oil. The Ayatollah refused to relent, and sent Iran's oil minister to the King to warn of a Shiite revolt within The Kingdom unless he reversed his oil price policy. The Saudis surrendered; Mr. Yamani was publicly humiliated, and King Fahd is now doing Iran's bidding by seeking a higher price for oil.

So we see how the French, the Israelis and the Saudis all have their motives in trading with humanity's enemy; the question is, what is the United States' motive?

Col. Robert McFarlane, the departed national security adviser, insists that "my motive throughout has been the long-range strategic relationship of the U.S. with Iran." But such a motive flies in the face of the policy that elected Mr. Reagan, and one of the few policies that unite State and Defense Departments in this Administration: no rewards for states supporting international terrorism.

Although Colonel McFarlane may now affect geopolitical pretensions, the fact is that last year he was our chief hostage negotiator. His appeal to President Reagan for a secret life after the Situation Room was based on his promise to finish negotiating the release of the American hostages.

This President is not the sort to cross both George Shultz and Caspar Weinberger on some "strategic rela-

tionship" by taking personal charge of international diplomacy and arms transfers. But he was willing to subvert their credibility on a matter that bothered him — getting back hostages from Iran.

The importunings of hostage families — the pleas to put human concerns ahead of the national honor and long-term antiterrorist interest — apparently caused the President to embrace the Tar Baby that is the Ayatollah's Iran. In turning soft, in failing to stick to his bravely announced "Operation Staunch," which supposedly denied arms to Iran, Mr. Reagan insures the capture of future American hostages by terrorists who learn that their crime pays.

Nor is that all the damage. Remember how we brought moral suasion to bear on our allies, urging them to follow our example in denying arms to terrorist states? How we righteously indicted Israeli arms dealers for "illegally" transshipping weaponry to Iran? If investigation shows the McFarlane-Poindexter-Regan ransom plan to be as it now looks, farewell to our moral authority; the Reagan posture would turn out to be a lie.

Anticipating possible failure, Mr.

Why are we dealing with Iran?

Reagan is now putting out word that "media speculation" may ruin his hostage-purchase arrangements, endangering their lives as well as Iranians who wanted to deal — as if he expected a worldwide press blackout of the news being put out by the legion of Great-Satan-haters in Teheran, Damascus and Beirut. Instead of facing the public (his last press conference was exactly three months ago) Mr. Reagan massaged a few journalists at lunch yesterday who were willing to take his line off the record.

Ronald Reagan brought all this on himself by taking charge of this White House opening to Iran, obviating all plausible deniability; we will soon see if he closed his eyes to the means of payoff. This end run around the checks and balances of our system should bring about the requirement for Congressional confirmation of the President's national security adviser and a Senate select national security committee for oversight of that official's operations. □

This Iran Policy Makes Carter's Look Good

By KAREN ELLIOTT HOUSE

If some malicious Merlin were trying to concoct a scheme that, with one stroke of a wizard's wand, would undermine American principles, policies, people, interests and allies, it would be hard to conjure up anything more harmful and humiliating than secretly shipping supplies of American weaponry to the world's primary terrorist state in exchange for a handful of hostages.

That, however, is precisely what Ronald Reagan has been doing. The president, who swept into power in 1980 in no small part because the country felt shamed by Iran's manipulation of American policy and people, six years later turns out to be following much the same script. The difference, if any, is that he seems to be doing worse for less. Jimmy Carter, for all his vacillation, at least resisted the temptation to trade arms for 52 hostages America had sent to serve in Tehran. Mr. Reagan, we now discover, has been shipping tons of weapons in partial exchange for a handful of hapless hostages.

John Q. Hostage

The policy implications of all this are many. But, on the simple street level of your safety or mine, what Mr. Reagan has done is to buy today's hostages with tomorrow's—to acquire a Mr. Jacobsen for shiploads of weapons plus unlimited future draft choices on John Q. Hostage.

For a country like Iran, engaged in a world-wide messianic crusade, there is no end to the tonnage of armaments it can use or to the number of innocent Americans it can abuse. For every hostage U.S. arms can buy back, there are all too many more available on the sidewalks of Beirut or elsewhere. Indeed, in the 18 months that Mr. Reagan has been trading arms for innocents, he appears to have acquired three (Messrs. Weir, Jenco and Jacobsen) and lost at least three more (Messrs. Cicippio, Tracy and Reed). As the columnist Charles Krauthammer put it last week, this is "commerce without end."

As the spotlight shines on this secret "diplomacy," the White House apparently is redoubling its efforts, hoping to acquire a few more hostages and turn American public attention to more happy homecomings. But even if the score temporarily winds up being 6-0, the game is still no-win

for America. That's so for any number of reasons:

- President Reagan has secretly sold out his own stated policy of making no concessions to terrorism and has violated the substance, if not the legal letter, of his own administration's official arms embargo on Iran. It was Mr. Reagan himself who publicly labeled Iran a terrorist state. It is Mr. Reagan who has argued frequently, persuasively and even courageously against trucking with terrorists. It is the Reagan administration that is prose-

We now have the spectacle of America chastising its European allies for not standing up to terrorism, all the while surreptitiously shipping weapons to Tehran.

cuting others which have sought to violate its arms embargo. Now all that has changed. It's as if the school drug counselor were suddenly discovered pushing crack.

- Mr. Reagan has managed in one fell swoop to undercut U.S. credibility with allies in every part of the world. Closest to the epicenter are the Mideast moderates such as Jordan and Saudi Arabia that are directly threatened by Iran's military and ideological expansionism and that have come to rely on America's assurances that it is working to contain Iran. Instead, they now discover the White House, aided and abetted by Israel, is feeding the Iranian cancer with weaponry.

More broadly, Mr. Reagan is the president who has preached—and up to now practiced—a policy of constancy and consistency in dealing with global allies. Yet, we now have the spectacle of America chastising its European allies for not standing up to Libyan, Syrian and Iranian terrorism, all the while surreptitiously shipping weapons to Tehran. It's as if Mr. Reagan, having criticized his allies for not supporting the contras, were suddenly discovered to have been shipping arms to the Sandinistas. For those among us who belabored the French over their cynical behavior toward Libya, Syria and Iran, grudging apologies are in order.

- In the process, Mr. Reagan seems to have cuckolded his own secretaries of state and defense. Secretary of State George

Shultz has staked his personal prestige on a global campaign against cooperation with terrorism. Only weeks ago, for example, Mr. Shultz was at the United Nations reassuring Arab ministers that the U.S. was determined to stem the flow of arms to Iran. About the same time Defense Secretary Caspar Weinberger was in Peking urging Chinese leaders to cease shipping arms to Tehran.

- The White House now argues that it wasn't simply purchasing hostages with arms. Rather, its emissaries were seeking

with its sometimes brutal government and its sporadic support for terrorism, poses a present threat to America. Beyond all that, does the U.S. really want to pursue a policy so cynical that it ships arms to purposely perpetuate the mass slaughter of two armies that have already suffered a million casualties?

- A final casualty of the secret plan to arm Iran may well be a trend toward executive dominance of U.S. foreign policy. One of the most profound accomplishments of Mr. Reagan's presidency has been gradually to win the tug of war over which branch of government—executive or legislative—should ultimately conceive and conduct foreign policy.

By restoring constancy to foreign policy, by talking tough and then acting in pursuit of his principles in places like Libya, Grenada and Nicaragua, Mr. Reagan has restored much of the foreign policy power of the presidency that had been snatched away by Congress in the post-Vietnam era. The fact that conduct of foreign policy has moved back where it largely belongs should stand as one of the lasting legacies of the Reagan years. Playing games in Iran puts that legacy at risk. Congress—all the more so now that Democrats control the Senate—won't be shy about using this Iran policy, flawed both in its substance and its secrecy, to pull back the power it has lost. And that is a high price to pay for a few hostages.

Expensively Purchased Freedom

So one returns to the hostages, to the picture of Mr. Jacobsen standing in front of the White House, lecturing the press and the nation enroute to join the president and first lady in celebrating his expensively purchased freedom. It seems heartless to wish Mr. Jacobsen or any of the hostages anything but happiness at home with their families. But somehow, all of us, including our president, must come to understand that there are higher causes than the release of individual hostages, that national and individual interests aren't always identical, that we must not let the nation be held hostage to our sympathy for hostages, that the U.S. can be victimized by these victims.

Ms. House is the Journal's foreign editor.

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Iran, in 6-Year Search for Arms, Finds World of Willing Suppliers

By ELAINE SCIOLINO

Special to The New York Times

WASHINGTON, Nov. 24 — During its six-year war with Iraq, Iran has bought more than \$9 billion in arms from America's allies and enemies alike, according to a high-ranking Reagan Administration official.

Other officials and independent arms analysts say that while North Korea and China are Iran's most important arms suppliers, Western countries provide about 20 percent of the Teheran Government's purchases.

U.S. 'Opened the Floodgates'

These sources contend that recent disclosures of American arms shipments to Iran through Israel will make it impossible for the Administration to stem the flow of arms to Iran by allies of the United States.

"We seem to have opened the floodgates for our allies to sell arms to Iran," an Administration official said. "I have the sense countries will be rushing to Teheran to make offers and clinch deals."

Late last month, for example, an Iranian negotiating team went to Britain apparently to get parts for Chieftain tanks and Scorpion armored cars, according to American and British officials. They said the parts were provided for in contracts concluded under the Shah's reign with International

Military Sales, an arms company owned by the British Defense Ministry.

Land-Rover Deal Discussed

Last week, Prime Minister Margaret Thatcher told Parliament that "a very small quantity" of what she called non-lethal equipment had been delivered to Iran as a result of these talks, without specifying what had been shipped.

British officials also confirmed last week that they were negotiating a \$37.8 million deal to send 3,000 Land-Rovers to Iran. The vehicles presumably could be converted for military use.

In a hearing today before the House Foreign Affairs Committee, Assistant Secretary of State Richard W. Murphy said that North Korea was Iran's primary arms supplier and that China and Eastern Europe also supplied weapons. He said he was unable to confirm whether France and Portugal had sent weapons to Iran.

Iran has shown considerable imagination in scouring the world for weapons and spare parts, from providing foreign visitors with lists of arms it wants to using its diplomats and exiles abroad as arms procurers.

In the last two years, Iran's leaders, seeking to improve the country's image abroad and win support for its war policy, have traveled extensively. Just after Hojatoleslam Hashemi Raf-

sanjani, Speaker of the Iranian Parliament, negotiated a deal in Libya to secure Soviet-made Scud missiles in June 1985, for example, he flew to Damascus to help arrange the release of 39 Americans taken hostage in the hijacking of a Trans World Airlines plane.

The Task of Tracking Arms

But the murky, often secret nature of arms dealing makes it impossible to determine precisely what Iran spends on arms and where it spends it.

"The Iranians know how to play games," said Gary G. Sick, a member of the National Security Council in the Carter Administration and author of a recent book on Iran. "They've cut deals through private channels and with governments that don't acknowledge them, which makes arms tracking very difficult."

The American-Israeli link to Iran shows that Iran will buy from anyone. And despite an official American arms embargo and a worldwide campaign to prevent allies from shipping arms, large amounts of weapons have reached Teheran from the United States and its allies through government licensees and unofficial channels.

From 1979 to 1983, the only years for which reliable American intelligence figures are available, Iran spent \$2.8 billion on major arms purchases from the United States, the Soviet Union, France, Britain, West Germany, Italy, China, Rumania and Poland, and \$2.6 billion in arms through other nations and indirect sources. Intelligence analysts concede this is a partial list.

An Increased Flow Is Seen

Since unannounced American negotiations with Iranian factions began last year, several Western countries are be-

lieved to have allowed more arms and spare parts to flow to Iran.

In the last year, Israel has become the major supplier of modern American-made parts to Iran, although the exact size of the shipments cannot be measured, according to independent arms analysts.

France, one of Iraq's largest suppliers, has acknowledged that French-made antitank missiles and large amounts of 150-millimeter ammunition have made their way to Iran since last year, although French officials denied any involvement. The shipments were so large, however, that independent arms experts say the French Government must have known of them.

Some of these sources say they believe that arms constituted at least part of the \$330 million that France recently gave Iran as partial repayment of a \$1 billion loan extended under the Shah.

Portuguese state-run factories produce large quantities of ammunition and mortar shells that have been sold to Iran, an Administration official said. "Despite our protests, officials look the other way," an official said.

From time to time, the Italian authorities have allowed spare parts for Hawk missiles and for helicopters to reach Iran, the official added. Iran has also received transports and small boats from Japan; tents and trucks from India; armored cars, rocket launchers and large amounts of hand grenades from Brazil; artillery and ammunition from South Africa; Fokker aircraft and military electronics equipment from the Netherlands; Chieftain tank parts from Britain, and

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U.S. courted Iran to counter buildup of 600 Soviet agents

By James Morrison and Martin Sieff
THE WASHINGTON TIMES

When the Reagan administration launched its secret effort to restore relations with Iran, the U.S. intelligence community believed the Soviet Union already had 600 agents in Tehran poised to direct Iranian communists in a post-Khomeini power struggle, it was learned yesterday.

It is not clear whether those agents were embassy personnel or undercover operatives, said a source closely connected to U.S. intelligence officials.

President Reagan has said that the growing Soviet influence in Iran was a major motivation for the effort he authorized in January that eventually led to shipments of arms to "moderates" in Iran.

Mr. Reagan has not revealed details of the Soviet buildup. But it is known that the Soviets have massed military forces on the Iranian border.

The source, who asked not to be

identified, said the Soviet buildup included moving "600 agents into the Soviet Embassy in Iran" during the time the Reagan administration was preparing its overtures to what it believed was a moderate faction in Tehran.

The additional Soviets in Iran are working with pro-Soviet elements within the Khomeini regime and with the Iranian communist party, the Tudeh, which was severely crippled early in the Khomeini era.

U.S. intelligence officials believed that the Soviets were counting on the Tudeh to play a role in a post-Khomeini power struggle. Such a struggle could erupt upon the death of the 86-year-old religious leader — who many believe is ill — or in the wake of a disastrous military offensive against Iraq.

The officials believed that the long-planned "final offensive" against Iraq would fail, creating enough political turmoil in Tehran to topple the ayatollah and leaving a power vacuum that the Tudeh or other Soviet allies would fill. Under the terms of a 1921 treaty, never renounced, the Soviets have to right to

intervene in Iran militarily if the Moscow government deems the internal situation in Iran threatens the security of the Soviet Union.

The "moderate" forces identified by the U.S. intelligence community appear to be the faction led by Iranian Parliament Speaker Ali-Akbar Hashemi Rafsanjani, 52. He is known to favor pragmatic relations with other nations to increase Iran's military might, and has been opposed by more leftist elements surrounding President Ali Khamenei, 47, and Prime Minister Mir-Hussein Musavi, 43.

Mr. Khamenei and Mr. Musavi are, even by Iranian standards, strongly anti-Western, and have urged increasing government control of the economy and a redistribution of wealth. Their emphasis has been on "purifying" the revolution domestically.

Mr. Rafsanjani, however, is also the main patron in the leadership of the Revolutionary Guards, and has been personally favored by Ayatollah Khomeini for his determined pursuit of the war with Iraq. He has also repeatedly warned the Persian Gulf states to "fall into line."

Relations between Moscow and Tehran have frequently been appalling. From 1981 to 1983, the ayatollah

crushed the Tudeh, and as many as 10,000 died in that campaign, according to some reports. The ayatollah has publicly referred to Soviet "barbarism," and on one occasion stalked out of a meeting with Soviet Ambassador Vladimir Vinogradov in anger over his "atheism."

Nevertheless, those chilly relations have been thawing lately. On Oct. 9, Tehran news reports quoted Soviet President Andrei Gromyko as telling the new Iranian ambassador to Moscow, Nasser Heirani Nobari, that "Soviet experts will soon return to Iran." Mr. Gromyko added that the Soviet Union wanted an expansion of friendly ties with Iran "despite ideological differences."

Soviet advisers were withdrawn from Iran last year after an escalation of Iraqi air raids.

In August, Iran announced it would resume natural gas deliveries to the Soviet Union. They had been suspended since the 1979 Islamic Revolution. And in September, the first joint session of the Iranian-Soviet Chamber of Commerce, held in Tehran, approved plans to increase the annual volume of trade between the two nations to \$1 billion.

Ironically, if the U.S. overtures toward Iran were motivated by fear of

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volved are largely from the Middle East, he said.

The lists are part of a general tightening of security measures in East and West Berlin aimed at limiting the danger of cross-border subversion, according to the Western diplomatic source. East German as well as Soviet bodies have been cooperating in the actions.

Soviet officials have accepted notes from the Allied protecting powers - the United States, Britain, and France - singling out diplomats in East Berlin and have indicated they would act to stop any subversion against West Berlin.

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Soviet influence, the warmer Soviet attitude toward Tehran seems to have been partly motivated by fear of growing Chinese influence. In September 1985, China signed a \$1.6 billion arms deal with Iran for the supply of heavy weapons. Mr. Rafsanjani, who visited Peking last year, appears to have been a leading architect of this connection.

Iran shares a 1,250-mile frontier with the Soviet Union. Twice this century, in 1914 and 1941, Russia occupied northern Iran in cooperation with British forces in the southern half of the country.

A Soviet occupation of Iran would bring the Soviet Union to the Persian Gulf and give it control over the main oil supply route for Western Europe and Japan - a possibility

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F-4 and F-5 parts, overcoats and uniforms from South Korea.

Switzerland has operated either as a third-party broker or a direct supplier of parts for European-made weapons, according to arms experts.

"Very often people who control exports of arms are intelligence officers who keep things from their governments," said Anthony Cordesman, a vice president of the defense research arm of the Eaton Corporation and an authority on the Iran-Iraq war. "These countries are turning a blind eye."

American officials say they believe that North Korea alone has sent Iran more than \$1 billion in weapons, including tanks, artillery pieces, antiaircraft guns, mortars, rifles and other guns.

While China is believed by American intelligence officials and arms analysts to have signed a \$1.6 billion arms deal with Iran that includes F-7 fighter planes, artillery, tanks and armored personnel carriers, it is unclear what has actually been delivered.

Arms From Libya and Syria

The same sources say Libya and Syria, Iran's only Middle Eastern allies, have made significant arms shipments in the last three years, including Soviet-made tanks, Katyusha artillery rockets, SAM-7 missiles, antiaircraft guns, antitank missiles, anti-

lery shells and a small number of armored personnel carriers.

The Soviet Union, Iraq's largest arms supplier, has increased its shipments to Iran through Czechoslovakia, which has sent chemical warfare equipment, light arms and ammunition, and through Poland, which has sent antiaircraft guns, rocket-propelled grenades and parts for armored equipment and heavy weapons, the sources say.

American-made weapons and parts are still the most crucial component of Iran's arms systems, arms experts say. "With the American arms shipments, the genie is out of the bottle," Mr. Cordesman said. "No one can tell how many of the American systems will now be operational or predict what this shift of high technology will mean."

Iranian Disputes Reports

TEHERAN, Iran, Nov. 24 (Reuters) - The Speaker of the Iranian Parliament said in remarks published today that the quantity of arms supplied by the United States to Iran was smaller than has been reported in Washington. The Speaker, Hojatolislam Hashemi Rafsanjani, also accused the United States and France of "bullying" Iran

by freezing its assets and said his country would have relations with major powers only if they ceased their "blackmailing."

The newspaper Islamic Republic said the Speaker had told Defense Ministry officials that Iran had received no Hawk antiaircraft missiles and fewer TOW antitank missiles than American officials have said.

"Two thousand, or even 200, TOW missiles - these figures are of course not correct," the Speaker was quoted as saying. "They are talking nonsense. There have been no Hawk missiles involved at all."

Representative Jim Wright, Democrat of Texas, said last week that he had been told by the White House that 2,008 TOW missiles and parts for 235 Hawk antiaircraft batteries had been supplied to Iran. He said Iran had paid \$12 million for the shipment.

Hojatolislam Rafsanjani disputed the figure, saying: "See how ignorant a person who talks at the U.S. Congress is. If they wanted to ship 230 Hawk missiles at prices of 10 years ago, it would cost 10 times that amount."

He was quoted as saying the TOW missiles alone, at pre-1979 prices, would cost twice the figure cited by Mr. Wright.

that has been the nightmare of Western defense planners for the past 40 years.

The Soviets, however, have experienced a bitter guerrilla war in Afghanistan since occupying the

country in December 1979, and would probably fear getting bogged down in a vastly greater struggle with Iran's deeply motivated population of almost 50 million.

JCS SAID TO OPPOSE SDI NEAR-TERM DEPLOYMENT

The Joint Chiefs of Staff are said to be opposed to the near-term deployment of the Strategic Defense Initiative program that is being sought by many in Congress who fear the loss of the program under a president less determined than President Reagan.

In addition, Air Force Chief of Staff Larry D. Welch is considered the most vocal opponent of the SDI program, afraid that it will prove harmful to future Air Force budgets.

According to a report by the Heritage Foundation, the Joint Chiefs are "quietly opposing" the proposal to approve an interim deployment of the SDI "for their own parochial reasons." They, like Air Force Chief of Staff Welch, are concerned that a growing SDI program will drain vital funds away from other defense programs.

Welch, "the most adamant senior military opponent of SDI," is said to subscribe to the traditional view that "a strong offense is the best defense," a view that supporters of SDI see playing "into the hands of SDI's liberal opponents."

It is better known that there are those in the State Department who want the president to delay the SDI program, as opposed by the Soviets, in order to get a Soviet agreement to reduce offensive forces.

Welch recently told the Air Force Association National Symposium in Los Angeles that the current national military strategy of deterrence has been successful for over 40 years and is "the lowest-cost strategy to meet a growing military threat."

Welch did not mention the SDI program in his address, but he did say that he no longer gives the "The Russians are coming" speech because "we have been doing the right things over the last 6 years to ensure that the Russians are not coming."

Iran Still Supports Terrorism, State Dept. Official Testifies

Whitehead Cites 'Association' With Kidnapers of 3 Americans

By Walter Pincus and David B. Ottaway
Washington Post Staff Writers

Deputy Secretary of State John C. Whitehead yesterday disputed the assertion by President Reagan and his top advisers that the administration's secret diplomacy to Iran had caused the regime of Ayatollah Ruhollah Khomeini to ease its support for terrorism.

In remarks that appeared to prolong the feuding between the State Department and White House, Whitehead told the House Foreign Affairs Committee that Iran's links to terrorism included "association" with those who abducted three Americans in Beirut this fall and Tehran's "financial, logistical and material" backing for terrorists in the Persian Gulf, Lebanon and elsewhere.

"I don't like to differ with my president, but I believe there is still some continuing evidence of Iranian involvement with terrorism," said Whitehead, the department's second-ranking official.

In a televised speech Nov. 13, Reagan said "there has been no evidence of Iranian government complicity in acts of terrorism against the United States" since the White House resumed its secret contacts with Iran about 18 months ago. Similar assertions of Iranian mod-

eration have been made by the president's senior advisers.

Whitehead, professing embarrassment at what he said was ignorance about details of the arms-to-Iran operation disclosed almost three weeks ago, also called for a review of the National Security Council's involvement in such "operational matters."

He said the department "welcomed" the council's role as an adviser to the president, but "when they are involved in operational matters . . . we have concern particularly when we don't know about them." Whitehead also suggested that Reagan "may have been poorly advised."

The three-hour appearance by Whitehead and Assistant Secretary of State Richard W. Murphy, who handles Middle East affairs, came in the wake of verbal sniping between the White House and State Department over the president's overture to Tehran and the subsequent shipment of U.S. weapons.

Whitehead, who learned only two hours before the hearing that he was to testify, was chosen by Secretary of State George P. Shultz because he is a political appointee and considered better positioned than a career diplomat to deal with a possible hostile reaction from the White House, according to depart-

ment sources. Whitehead replaced the scheduled witness, Undersecretary Michael H. Armacost, a career foreign service officer.

The State Department had sought to cancel the hearing on the grounds that it was ill-informed about the secret Iranian operation, the sources said, but committee Chairman Dante B. Fascell (D-Fla.) refused.

Whitehead confirmed that once the secret decision was made by the president last Jan. 17 to proceed with arms shipments, State Department officials were "excluded from cables and documents" related to the operation and that the department was "at no time operationally involved."

He said he did not believe that Shultz knew about operational aspects after Jan. 17. Whitehead said he "assumed" the secretary had told him whatever he did know. Former national security adviser Robert C. McFarlane, who accompanied one shipment of arms to Tehran last spring, has said he kept Shultz fully advised of the Iran overtures.

Whitehead called for "a major diplomatic initiative" by the administration to explain its actions and reestablish the credibility of its anti-terrorism and Iran arms embargo policies. He said he hoped that Shultz, whom he strongly endorsed,

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Rafsanjani and Pentagon agree: Arms sent to Iran won't win war

FROM COMBINED DISPATCHES

The Speaker of Iran's Parliament and a top Pentagon official told the same story in different words yesterday — the U.S. arms sent Iran by the Reagan administration won't make much difference in the Persian Gulf war.

Ali-Akbar Hashemi Rafsanjani, who broke the news three weeks ago of American overtures to Tehran, said the quantity of arms the United States supplied Tehran was smaller than has been reported in Washington.

The Islamic Republic newspaper, reporting remarks Mr. Rafsanjani made to Defense Ministry officials, quoted the powerful politician-cleric as saying Iran received no Hawk anti-aircraft missiles and fewer TOW anti-tank missiles than U.S. officials have said.

"Two thousand, or even 200, TOW missiles — these figures are of course not correct. They are talking nonsense. There have been no Hawk missiles involved at all," the Islamic Republic newspaper quoted him as telling Defense Ministry officials.

House Majority Leader Jim

Wright, Texas Democrat, said last week that he had been told by the White House that 2,008 TOW missiles and parts for 235 Hawk anti-aircraft batteries had been supplied to Iran.

Meanwhile, a senior Pentagon official in Washington said yesterday that U.S. arms shipments would "prolong" the six-year Iran-Iraq war and "make things more difficult, but it won't make a difference in terms of the outcome."

The official, who asked not to be named, said it is doubtful whether Iran's poorly trained military forces could effectively use the TOW anti-tank weapons.

"I doubt the guys could knock out 100 tanks with 2,000 TOWs," he said.

U.S. parts for Iran's 60 to 80 American-made F-4, F-5 and F-14 jet fighters are the most difficult items for the Iranians to obtain. Iran has kept the jets flying by using parts from grounded jets and buying parts on the international arms market, the official said.

He said China has become Iran's primary source of weapons, along

with North Korea and the Warsaw Pact nations.

"China is in it for the money," he said. "They know that when the war is over, Iran will have to rebuild its forces and they want the business."

Although the war remains at a standoff, Pentagon officials believe Iraq could win because of its air, tank and artillery superiority over Iran.

"The war is stalemated and may run for maybe a couple more years," the official said. "Then you may end up with some sort of cease-fire in place."

He added that a major offensive by Iran is expected sometime between now and April.

In the war itself, meanwhile, Iraq's air force has become increasingly active. Since May, Iraq has employed its superior air power to strike Iranian oil and industrial targets in hopes of crippling the Iranian economy and pressuring Iran to accept its cease-fire offers.

Yesterday, Iraqi jets attacked Ahwaz in southwestern Iran for the second time in four days, killing 10 peo-

ple and wounding 55 others, the official Iranian news agency IRNA said.

It said Iranian warplanes also bombed a petrochemical plant at Mosul, about 225 miles northwest of Iraq's capital of Baghdad.

Tehran radio said long-range Iranian artillery began shelling targets in Iraq yesterday in retaliation for air strikes on two cities in western Iran Sunday.

Iran's official IRNA news agency said at least 98 people were killed in Bakhtaran, about 260 miles southwest of Tehran, when Iraqi jets destroyed 25 houses, a school, four cars and a minibus.

The attack left smoke billowing from the targets, IRNA said. The raid came less than 24 hours after Iran fired a surface-to-surface missile at Baghdad.

Libya has supplied Iran with Scud B missiles, which were described by the Pentagon official as an inaccurate "terror weapon" used by Iran to attack Iraqi targets more than 200 miles away. Iran fires Scud missiles into Iraq about six times a month, the official said.

Staff writer Bill Gertz contributed to this report.

Peres Defends Israeli Actions

Some Fear Arms Deal May Hurt U.S. Ties

By Glenn Frankel

Washington Post Foreign Service

JERUSALEM, Nov. 24—Foreign Minister Shimon Peres briefed a key parliamentary committee in secret session today on Israel's role in arranging shipments of U.S. arms to Iran, amid rising official concern here that public disclosures in

Washington may damage strategic cooperation between Israel and the United States.

Sources close to the Knesset's defense and foreign affairs committee said Peres did not explicitly outline Israel's role in the Iran connection nor did he offer details about arms shipments originating here, some of which had American approval and some of which apparent-

ly did not.

But Peres, who was prime minister in 1985 when Israeli officials acted as go-betweens in setting up the connection with the White House, nonetheless defended Israeli actions, the sources said. He said Israel had no firm policy of selling arms to Iran but had done so in this case in order to aid its American ally. He added that his government knew that such sales would not have a major impact either on the course of Iran's war with Iraq or on the future policies and leaders of Iran.

Peres said he would be willing to go into greater detail at a session of a smaller subcommittee, whose members presumably would be less likely to leak the information.

Asked after the closed-door meeting whether the arms deliveries had been mentioned, Peres told reporters, "I do believe the committee got a full-fledged report on the principles and the logic and the dates of what should be done and what shouldn't be done."

He said, "I think that Israel, as a general policy, should not sell weapons to Iran," adding, "everybody knows that Israel is not soft on terrorism... but unfortunately, occasionally you may find yourself in a real dilemma." He refused to elaborate.

Peres' appearance was designed to stem criticism from members of

the disclosure of U.S. arms shipments to Iran had been "universally negative" and that moderate Arab leaders had been "distressed and embarrassed." He said U.S. ambassadors around the world had been instructed to explain the action and that "some progress" had been made in showing that "at least our motives were honorable."

Asked how the diplomats could do this when the State Department says it is still uninformed on the issue, Whitehead replied, "Each of our ambassadors is doing the best to cope with the situation."

He was also asked whether the administration had violated any laws by shipping arms to Iran, which is on the U.S. list of nations supporting terrorism. Whitehead declined to offer an opinion.

The president, he said, gets "the best legal advice" from the attorney general of the United States and presumably had decided he could go forward with the arms shipment.

Under a bill signed into law Aug. 27, the United States cannot sell arms to any nation on the list of terrorist-supporting nations. The president has the right to grant a waiver in the interest of national security, but must send Congress a report justifying such a determination.

Murphy testified that some arms were received by Iran under the White House program after August, but he was not certain when they were shipped.

Whitehead also said his department did not know Israel's role in sending arms to Iran. Asked by Rep. Lee H. Hamilton (D-Ind.) whether "we asked Israel what they are doing," Whitehead replied, "No sir, we have not."

Murphy, asked what he had been telling Arab leaders about U.S. and Israeli arms shipments to Tehran, said he had assured them, "in English and Arabic," that no U.S. arms were going to Tehran now.

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would be given the opportunity to lead it.

He said it would be a "terrible tragedy" for the nation if Shultz, who has been criticized for not sufficiently supporting the president, were made "a victim" of the administration infighting over who was responsible for the decision to send weapons to Iran.

He also warned that if forthcoming congressional investigations resulted in leaving Reagan "without clothes," the president would lose the opportunity to lead the free world in his last two years as president.

Whitehead said that while "the jury is still out" on whether the White House operation resulted in any benefits, "the prospects don't look very bright" for any "overt or covert" relations with Iran. He said that in their efforts to contact "moderates" inside the Iranian government, U.S. envoys may have been "dealing with the wrong people."

"I don't think we really know who are the moderates in Iran," he said.

Asked whether he thought the United States could "make friends by selling TOW [antitank] missiles," Whitehead responded, "No, sir. We cannot."

In Tehran yesterday, the speaker of Iran's Parliament, Ali Akbar Hashemi Rafsanjani, attacked Rep. James C. Wright Jr. (D-Tex.), House majority leader, who said he had been told that 2,008 TOW missiles and 235 spare part sets for Hawk anti-aircraft missiles were shipped to Tehran at a cost of more than \$12 million.

"These figures are of course not correct. They are talking nonsense," Rafsanjani said. "See how ignorant a person who talks at the U.S. Congress is."

Whitehead said world reaction to

Westerners in Berlin tip Soviets on terror threats

West Berlin

Allied authorities in West Berlin have begun passing a list of names to the Soviet Embassy in East Berlin of foreign diplomats based there who they fear could be involved in terrorism, according to a Western diplomatic source. The diplomats in-

TIP...Pg. 10

the committee that the government had erred in not reviewing the matter with them before the decision to sell arms to Tehran was taken.

"Everything on foreign relations should be reported to parliament in advance and it was a mistake that it was not informed," said Ehud Olmert, Knesset spokesman for the Likud, one of the two main political blocs in the government.

Meanwhile, a senior official confirmed a report in today's Jerusalem Post outlining a number of U.S.-Israeli matters that Israel deems important and fears could suffer serious setbacks in the growing political controversy.

They include an Israeli request for privileges to purchase American arms similar to those available to NATO nations, and a request for the United States to build new submarines and missile boats for Israel.

of hardware sent by Israel.

WHAT...from Pg. 6

the facility, where the Hawk batteries have been idle for want of key parts. The TOW missiles, wire-guided with a range of about 3,000 yards, could be used in an Iranian assault. The Iraqis have fortified their front with a Maginot line of concrete bunkers the TOW's could penetrate. As a defensive weapon, they are capable of piercing the armor of the Iraqis' Soviet-supplied T-55 tanks. House Majority Leader James Wright says the arms shipments give Iran "a formidable war-making potential."

What were the weapons worth?

The value is in dispute. Each Hawk missile costs \$250,000; TOW's go for about \$9,900 each. According to U.S. military sources, the price tag was at least \$50 million, and perhaps as much as \$100 million. White House sources say the total did not exceed \$12 million. The U.S. military's estimate includes at least three plane loads and five shiploads

Who funded the bill?

Sources in Israel say that the United States underwrote their expenses, either in cash or by replacing the arms it sent Iran. The U.S. Army was paid from a Swiss bank account. Israeli sources say the account was opened by the CIA; White House sources insist the Iranians put the necessary funds into the account.

How much weaponry does the United States sell to other countries in the region? In the 1986 fiscal year, the totals were: Saudi Arabia, \$150 million; Jordan, \$100 million; Pakistan, \$338 million; Israel, \$2.2 billion.

In addition to Iran, are there other nations that cannot buy U.S. weapons because of their terrorist activities?

Yes. Among them are Nicaragua, Libya, North Korea and Syria.

COLLEEN O'CONNOR with JOHN BARRY in Washington and MILAN J. KUBIC in Jerusalem

470 Iran

Arms and the Imam

Now that everyone has had ample chance to exercise an opinion about the wisdom and morality of President Reagan's recent policy in Iran, perhaps we can spare a moment to talk about the geopolitics of the place.

Iran still sits where it always has, whether ruled by the Ayatollah Khomeini, the Shah Pahlavi or Darius the Great. Which is to say, on the Persian Gulf, the source of almost 40% of the world's oil exports. Even more specifically, between the oil fields and the Soviet Union. In population, Iran is, along with Egypt and Turkey, among the largest Islamic countries in the area. It has the largest army on the gulf. Despite the deprivations of the Ayatollah, it has a substantial educated elite, including a Western-trained military.

Iran's geography also places it next door to Afghanistan, the nation the Soviets have most recently invaded. If the Soviets are capable of overflying Iran, the distance between their bases and the gulf is 725 miles. The U.S. has little military presence in the Gulf, and any substantial support would have to come by airlift from the continental U.S., 10 times as far away. By some careful estimates, the Soviets could have four airborne divisions on the ground before the first U.S. plane arrived. The Shah's air force controlled the routes the Soviets would have to fly to the gulf and the oil reserves, and his mountains housed American radars monitoring Soviet strategic weapons. In geostrategic terms, the fall of Iran was far more damaging than the fall of Vietnam, rivaled in recent decades only by the Communist conquest of Cuba.

The Ayatollah Khomeini, the ruling tyrant, is 86 and has reportedly had several heart attacks. Seven years of war and religious tyranny have devastated the economy and civilian morale. clandestine and Ayatollah radios are broadcasting from Iranian territory. If the Ayatollah dies and factional struggles break out, there is no telling what will happen in that country. A war victory by Iran might spread Shiite fundamentalism, but a defeat might bring chaos and Soviet intervention. Which would you rather have on the Gulf?

Now, should the president consider making an approach to Iran, trying to find some potential Deng Xiaoping? The answer to this seems to us obvious, given the stakes involved and even admitting long odds against success.

Is advancing this chance worth shipping some anti-tank weapons and spare radar parts to Iran? A closer question, but in our judgment a less hostile Iran would clearly be worth this part of the gamble.

Now, what about the hostages? Should the president have said he would ship the arms only if the hostages are not released? Should he have refused any dealing with any Iranians, on William Safire's grounds that the whole country's a "tar baby?" Should we punish the Russians by letting them get their hands stuck in it? Should we refuse to traffic with "The Great Satan" in Tehran? Just where is this Watergate that threatens the future of the Reagan administration?

Did Mr. Reagan mishandle the attempt? Well, clearly he failed in the sense that his cover was blown, and this has caused great ferment and lasting damage. The cover was blown by the Syrians, who unlike Iran are in military control of the territory where the hostages have been seized and presumably are being held. Not so incidentally, headlines about Syrian terrorism in Britain have been swept off the front pages. To some extent, we suppose, this was predictable. If the proposal had been run through enough committees at the State Department and the Congress, someone could have predicted what would happen if the project were revealed with a hostages-for-arms spin: That American TV networks would be seeking out Danish seamen to attribute every arms shipment to Iran to the president, that Democrats would use the issue to settle their scores on Nicaragua, that the Bill Safire conservatives would seize the occasion to demonstrate their "independence" by thrashing Mr. Reagan.

Understandable, we suppose, given the drama of hostage-taking in Iran that did so much to destroy Jimmy Carter's presidency. The Carter example certainly shows that a president's foreign policy can be dominated by hostage-taking, certainly shows the danger of allowing the hostage issue to overwhelm actual national interests. And at some point in the negotiations, we suspect President Reagan did indeed let concern over hostages get the better of him. But who is the most guilty of letting the hostages issue cloud geopolitical realities? Not the president, but his critics.

By ANWAR NASIR

TEHRAN — Even as Iranian Foreign Minister Ali-Akbar Velayati was off in New York recently telling reporters his country was set to occupy Iraq, his government had imposed rationing on gasoline for local consumption, and oil exports had fallen to 800,000 barrels per day (bpd), compared with 1.2-1.5 million bpd last year.

Unlike Iraq, which receives the majority of its weapons from the Soviet Union, Iran has no reliable supplier. It has become resourceful at acquiring what it must, often buying on the black market, paying enormous sums for outdated machinery. The Iranian network of suppliers reaches far, from China and North Korea to Israel. Iranian facilities and personnel are equipped to handle the American-made arsenal left over from the days of the Shah, but Iran has become so desperate that it is willing to purchase arms for which it has neither facilities nor personnel.

China has become one of Iran's largest suppliers. Washington has revealed that Iran has signed an agreement to buy arms from China, including a Chinese modification of the Soviet MiG-21 fighter. Both clandestine and open flights to Peking and Tokyo are telling of a flourishing trade (both military and nonmilitary) with northern Asia. Iran's alleged connection with Israel has always been denied by both parties, but frequently spotted surreptitious flights from Iranian cities to Tel Aviv leave little room for doubt that Iran is buying spare parts and materiel from Israel.

Air Power Favors Iraq

Iraq now has total superiority in air power — Iran's estimated fleet of 70 aircraft in working condition is dwarfed by Iraq's 450-600. Thus, by carrying the war into the Persian Gulf, Baghdad has moved it to where it has significant advantage, and has struck at Iran's economic lifeline. Whereas numerical superiority favored Iran on the battlefield, air power will now favor Iraq. By bringing the conflict into the gulf, Iraq also will be able to rally more support from its backers, Kuwait and Saudi Arabia, whose sole interest in the war is to keep the Iranian menace as far away as possible.

In Iraq there is less discontent than in Iran, mainly because of President Saddam Hussein's "guns-and-butter" policy, which has tried to keep the war at the front and away from home. Consumer imports have been drastically cut by Baghdad, but com-

pared with Iran in relative luxury bring more austere life have been six years, the Iraqis to feel the effects.

In Iran, short: six years the war come more acute for hours for their gasoline. A line of ration continues as stretching well o Food rations, meet demand, ha lishing black mar

The g Khomeini checkpoint

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Enough Talk! What

Three weeks ago, Attorney General Edwin Meese III spoke out on the responsibility of management to curb drug abuse in the workplace. His message was obscured by an outcry against what ACLU Director Ira Glasser referred to as "a totalitarian kind of response which will injure tens of millions of innocent people in an attempt to find the few who are using drugs and alcohol."

While the theorists contemplate the

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NEW YORK TIMES 23 NOVEMBER 1986 Pg.1

Saudis Reportedly Transport Fuel To Iran Using American Traders

By JEFF GERTH

Special to The New York Times

WASHINGTON, Nov. 22 — Within the last few months, large shipments of fuel refined in Saudi Arabia have been transported by commercial American traders across the Persian Gulf to Iran, which urgently needs the fuel for its war with Iraq, according to oil traders and oil experts.

These movements, which experts doubted would have occurred without the approval of the various governments, illustrate how oil has become a key issue in the secret diplomacy with Iran.

According to Administration officials and sources close to the Saudis, Saudi Arabia was both aware of the American talks with Iran and engaged simultaneously in its own rapprochement with Iran.

Iran Seen as Possible Victor

An Administration official familiar with the discussions between the United States and Iran said the new alliance between the Persian Gulf countries was "not a coincidence."

The Saudi overtures, according to American officials and Saudi sources, stemmed from a long-standing fear that Iran might export Islamic fundamentalism across the gulf. Saudi Arabia has also supported Iraq and its allies financially.

It is not known how fully the three parties shared the results of their separate discussions.

Oil experts said that although there had been previous shipments to Iran from Saudi Arabia, the recent shipments were much larger and also, for the first time, involved American traders.

The identity of the traders is not known. These sources also said it was significant that some of crude oil being refined in Saudi Arabia was coming from Iran. While the Saudis were permitting these shipments, they announced last month that they were temporarily shutting down a pipeline used by Iraq to export oil, a move that Bijan Mossavar-Rahmani, a former member of Iran's delegation to OPEC, said showed a tilt away from Iraq.

A Common Saudi Intermediary

One element of the overlap in the diplomatic discussions was a Saudi businessman, Adnan Khashoggi, who served as a key intermediary to Iran for both the Saudis and the United States, according to Israeli and Saudi sources.

A result of the Saudi-Iranian discussions, according to American and Saudi sources, has been their recent alliance within the Organization of Petroleum Exporting Countries to limit production and support the price of oil at around \$18 a barrel. That process, in turn, produced the ouster of the Saudi oil minister, Sheik Ahmed Zaki Yamani, a driving force behind OPEC policy since the early 1970's, these experts say.

The Reagan Administration, reacting to reports that it traded arms for hostages, has cited its general interest in Iran's strategic importance, including its oil reserves, but has not provided any details. Private and Government oil experts say the Saudi-Iranian agreement on oil pricing stability coincides, at least temporarily, with United States interests.

John H. Lichtblau, executive director of the Petroleum Industry Research Foundation, said, "There is a convergence of interest among Iran, Saudi Arabia and the United States on an \$18 price."

He added that "Iran wants it the most desperately because of the war" with Iraq, while the United States, an advocate of free markets, wants the \$18 price because of concern about the weak state of the domestic oil industry.

Importance of Iranian Oil

Robert Mosbacher Sr., an independent oil producer in Houston and close associate of Vice President Bush, stressed the importance to the United States of Iranian oil.

Mr. Mosbacher said "some of the people close to the President" have probably told Mr. Reagan of the national security implications "if the price of oil stays too low."

A rise in oil prices is a politically sensitive issue that has elicited differing perspectives within the Administration.

Officially, the Administration favors a free-market approach to oil pricing, but there is some internal disagreement on how much emphasis should be placed on the free market.

Although some segments of the American economy would benefit from higher oil prices, as would allies like Mexico, many American consumers and industries would be adversely affected.

Saudi-Iranian Understanding

Iran and Saudi Arabia have historically disagreed about oil prices. Iran has been at one extreme, favoring high prices, while Saudi Arabia was one of the strongest advocates of lower prices. Before the recent accord the Saudis had flooded the market with oil and prices had plummeted to \$7 or \$8 a barrel.

But now, "the Saudis and Iranians have reached an agreement that covers oil, an understanding that extends to a broader geopolitical context, the Iran-Iraq war," said Mr. Mossavar-Rahmani, the former Iranian oil official.

President Reagan has said ending the Iran-Iraq war was one of the reasons for American talks with Iran.

One Administration official said that while there was some short-term concern about oil price stability among the three countries, it was not that easy for the United States to affect the world oil markets.

"You can argue whether the secret talks were implemented properly, but there is a need for some kind of stable political relationship with Iran," said an Administration official, citing "the threat of a major disruption" in a region that has 70 percent of the world's lower-cost oil reserves.

National Security Threat

Last week Interior Secretary Donald P. Hodel said in a speech that the Persian Gulf oil fields represented an increasing national security risk over the next few years because of increasing dependency by the United States on foreign oil and possible Soviet designs in the region.

United States fears of such Soviet designs have long focused on Iran, which shares a long border with the Soviet

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SCAPEGOAT...CONTINUED

The shipments date back to 1979 and were at their opening phase part of an Israeli effort to buy protection for the small Iranian Jewish community, the source said. During a second phase, beginning in 1982, the goal of the program was to prop up perceived allies in the Iranian Army.

It was only in August or September of last year that Israel began shipping additional military supplies—including TOW and Hawk antitank and anti-aircraft missiles, according to one source. The shipments began after a meeting in the United States between Robert C. McFarlane, who was then Reagan's national security adviser, and David Kimche, who was director general of Israel's Foreign Ministry at the time.

McFarlane is said to have told Kimche that the United States would not approve arms shipments to Tehran at that time but that Washington would replenish Israeli supplies if Israel made such shipments. Administration officials are now saying that Kimche misconstrued McFarlane's statement and that Israel's September shipments of two airplane loads of military equipment were not authorized by Washington.

These shipments, which were followed by the release of American hostage Benjamin Weir, were approved by the four-member inner Cabinet, according to an informed

source.

"They saw Israel's role as helping its best friend and as a pristine manifestation of strategic cooperation between two governments," said the source. "At first they were even happy to see it made public because they thought the American public would finally understand why we've been selling our own supplies to Iran."

The officials are now said to be particularly concerned that the Iran connection may cost them Secretary of State George P. Shultz, the man they consider to be Israel's best friend in Washington. "If Shultz resigns, it will be a very, very sad day for us," said one official.

Iranian Legislators Withdraw Questions

Reuter

TEHRAN, Nov. 23—Seven members of Iran's parliament today withdrew the questions they had asked about contacts between Iran and the United States.

Ayatollah Ruhollah Khomeini attacked the questions in a speech Thursday, seeking to head off an investigation.

Parliament speaker Ali Akbar Hashemi Rafsanjani said, "Like an ingenious doctor [Khomeini] stepped in and blocked a potential mischief which could hurt our cohesion."

Group Says Iran-Israeli Dealings Understated

Iranians' U.N. Mission Involved in Arms Purchases, Anti-Khomeini Group Charges

By Benjamin Weiser
Washington Post Staff Writer

An Iranian dissident group alleged yesterday that Iran's arms dealings with Israel have been far more extensive than either country has acknowledged, and that Iran's representative to the United Nations has directly supervised the purchase of weapons in the United States.

The group, People's Mujaheddin, which advocates the overthrow of the government of Ayatollah Ruhollah Khomeini, produced documents which it said were obtained from sources inside the Khomeini government. The documents included a purported \$136 million contract, dated 1981, between Iran and Yaacov Namrodi, the Israeli arms dealer who has been involved in the transactions.

A spokesman for the Mujaheddin, Ali Safavi, said the group released the documents to contradict public statements by Iranian officials that they have had no dealings with Israel, and to show the Khomeini regime's desperation in its search for arms to bolster its war with Iraq. The group said it had established a direct pattern linking the arrival of Israeli arms shipments with Iranian offensives against Iraq.

If genuine, the documents also would tend to show a much greater relationship between Israel and its agents and the Khomeini regime than has been established. But Israeli and Iranian sources yesterday sharply disputed the authenticity of the documents.

An Israeli source in Washington said the allegation about the \$136 million contract first surfaced in 1983 in the French newspaper *Liberation* and was denied at the time by Namrodi.

The source portrayed the purported contract as "a forged document written by the Mujaheddin in their fight against the Khomeini regime; they want to show Khomeini is betraying Islam in dealing with Israel." At the time, Namrodi told the *Jerusalem Post* that the contract was a "complete fabrication."

Namrodi, who has said he helped set up the

"It is surprising to see that such a terrorist organization is receiving so much publicity ..."

— Iran government spokesman

Iranian arms transactions for "humanitarian" reasons, could not be reached for comment yesterday.

A spokesman for the Iranian mission to the United Nations, who asked not to be identified, also "categorically denied" the Mujaheddin group's assertions, including those that the Iranian U.N. delegate, Said Rajaie Khorassani, was involved in arms trafficking.

The spokesman said the Iranian government views the Mujaheddin as a "terrorist organization . . . It is surprising to see that such a terrorist organization is receiving so much publicity and coverage by U.S. media who have professed to be antiterrorist," the spokesman said.

The Mujaheddin, the leading Iranian resistance group, has charged that the Khomeini re-

gime has executed 50,000 Mujaheddin members since 1979 and imprisoned 140,000 others.

It was not possible to verify the Mujaheddin allegations yesterday.

The group also alleged:

■ That Pakistan, which has not publicly taken sides in the Iran-Iraq war, has secretly pledged its support for the Khomeini regime and is aiding in the supply of arms to Iran. A Pakistani Embassy spokesman denied any secret arrangement, saying his country has "maintained scrupulous neutrality in this issue."

■ That weapons destined for Iran have been secretly loaded on to jets of El Al, the Israeli airliner, in Chicago and New York and transported to Iran through Frankfurt and Amsterdam. The group provided registration numbers of planes and photographs of what it said were actual transfers of the arms and ammunition shipments at the Frankfurt airport. An El Al spokeswoman declined to comment on what she called "unfounded statements." The group also asserted that Iran secretly purchases arms from South Africa.

■ That Khomeini's son-in-law, Sadegh Tabatabai, traveled to Tel Aviv in 1980 to negotiate for arms. The group produced a copy of what it said was his passport with an Israeli entry stamp. The group asserted that the highest officials of the Khomeini regime are involved in the arms purchases, and that the purchases are coordinated by the same officials who direct Khomeini's terrorist activities abroad.

Foreign correspondent Glen Frankel in Jerusalem and special correspondent John Kennedy in New York contributed to this report.

QUESTIONS . . . CONTINUED

Reagan's harsh attack on the press in his remarks to Sidey included a charge of "great irresponsibility on the part of the press," the claim that the Iranian affair "wasn't a failure until the press got a tip from that rag in Beirut [that first disclosed the U.S. arms shipments to Iran] and began to play it up," and the suggestion that news coverage "could get people killed." He also likened reporters to "sharks circling like they now are with blood in the water."

At the least, the accuracy of those comments is questionable. The "rag" in Beirut was a pro-Syrian magazine, presumed by diplomats to have received the leak about U.S. arms deliv-

eries to Iran from an Iranian faction. But what boosted the matter onto the front pages of the Western press was a speech before the Iranian parliament by Speaker Hojatoleslam Hashemi Rafsanjani confirming the magazine account.

The suggestion that news coverage, and not the policies themselves, are the problem seems open to challenge.

But there is no question about the facts in another remark by Reagan in his interview with Sidey. He cited the number of calls the White House had logged after his nationally televised speech on the Iranian arms deal Nov. 13.

"It was the biggest outpouring of calls they've ever had," the president said.

In fact, the number of callers appears to have been nowhere

near record proportions after a presidential address. The morning after Reagan's speech, White House spokesman Larry Speakes reported the White House had received 1,559 telephone calls. A week later, Speakes gave reporters what he called a "phone call update": 2,666 calls in response to the news conference the night before. It is unknown what the record is for the Reagan White House, but the figures given for the response to this event were not close to the volume of callers during other presidencies.

Previously published figures establish the all-time 24-hour record for a presidential address as being somewhere above 200,000. It was set in 1974 during and after President Richard M. Nixon's final address to the nation, announcing his resignation.

HARTFORD COURANT

30 NOVEMBER 1986

Don't Leave it to Mr. Meese

When Congress convenes in January, its agenda is likely to be topped by the involved and confusing situation that has developed in recent weeks regarding Iran and Nicaragua.

To minimize the predictable chaos, the lawmakers would be well advised to move on two fronts: Terminate military aid to the Nicaraguan rebels and appoint a select committee to investigate the arms-for-hostages debacle that has turned U.S. foreign policy into shambles.

As it now stands, several committees in the House and Senate may get involved. They could end up working at cross purposes. The most rational approach would be to create one select committee made up of Democrats and Republicans from each chamber. If, however, the House and Senate want to maintain their traditional separation, they could divide the responsibility. A Senate select committee could investigate the Iran shenanigans at the White House, while the House Foreign Affairs Committee would deal with the issue of aid to the Nicaraguan rebels.

Congress should also insist on the appointment of an independent counsel to conduct an investigation. As U.S. Rep. Peter W. Rodino Jr., chairman of the House Judiciary Committee, said, there is "the real possibility that officials at the highest level of the executive branch have violated federal law. . . the credibility of the president and his ability to govern are threatened."

Credibility is not going to be restored simply because Attorney General Edwin Meese III has been directed by the president to investigate. Mr. Meese himself may have been involved, given his admission that he secretly advised President Reagan about the legality of selling arms to Iran.

Moreover, the handling of the investigation by Mr. Meese has been flawed from day one, when he wittingly or unwittingly gave Lt. Col. Oliver L. North an opportunity to shred critical documents in the national security office at the White House. Mr. Meese alleges that Mr. North, as a key national security employee, supplied the Nicaraguan rebels up to \$30 million that the U.S. government earned from the secret sale of arms to Iran. If

that is so, Mr. North and others at the White House may have violated several laws.

Yet the attorney general waited two days before securing the White House office and files of Mr. North, who was fired by the president. Under normal procedures, the FBI would have secured the documents in Mr. North's office at the first indication that he might have violated federal law, according to Justice Department officials. That was not done.

Asked if documents were shredded, Mr. North's lawyer said, "We don't confirm it, we don't deny it."

Mr. Meese initially claimed that only Mr. North and Vice Adm. John M. Poindexter, the national security adviser, were implicated. The attorney general became less sure after reports of wider complicity surfaced. Now there are allegations that Vice President George Bush and White House chief of staff Donald T. Regan, among others, may have participated in the Iranian and Nicaraguan deals.

In short, the Reagan administration is in no credible position to investigate itself. If Congress doesn't pursue the matter vigorously, the American people may be left in the dark about what all the duplicity and wrongdoing was about.

★ ★ ★

From the beginning, there has never been a consensus on U.S. military aid to the contras. Most Americans do not want to fuel the Nicaraguan civil war and certainly oppose the sending of U.S. troops. But last month Congress succumbed, albeit reluctantly, to presidential cajoling. By narrow margins, the House and Senate approved a \$100 million aid package to the contras.

Little did the lawmakers know that U.S. aid was being sent to the contras anyway, in spite of congressional prohibitions. The contras apparently had been the cash beneficiaries of the profits made from the sale of U.S. arms to Iran.

Contra leaders deny that they received a

CONTINUED NEXT PAGE

D

committee to investi-

of the aisle, too. Of course, I'm sure

said that Mr. Reagan should demand the resignations of any Cabinet offi-

partisan attack on the presidency by Congress.

1985- plz copy this article

Iranian played U.S., Israel from both ends on arms deal

By Martin Siefert
THE WASHINGTON TIMES

A key Iranian middleman in the secret Iran arms deal was an agent of the Iranian government who successfully "stung" the United States for major arms supplies on the pretext of gaining the release of leading CIA analyst William Buckley, sources have told The Washington Times.

Manucher Ghorbanifar, a wealthy Iranian arms dealer, had played a central role in Israeli arms deals with Iran. He was brought into the U.S.-Iran arms negotiations in late April 1985 at the initiative of his friend and business associate, Saudi billionaire Adnan Khashoggi.

Previously, in early 1985, then Israeli Prime Minister Shimon Peres contacted his old friend Yaakov Nimrodi, the London-based Israeli arms dealer who served for 10 years as Israeli military attache in Tehran before the Iranian revolution.

Mr. Nimrodi brought Mr. Khashoggi, with whom he had close connections, into the negotiations. A meeting was then convened in Geneva in May 1985 with both men and Mr. Ghorbanifar.

The month before the May meeting, Mr. Khashoggi had been hurt financially by the overthrow of his friend President Jaafar Nimieri, in the Sudan. Mr. Khashoggi had enormous interests in the Sudan and had been the moving force in the Jongli canal irrigation scheme to make the Sudan the breadbasket of the Middle East. The Sudan setback may have increased his interest in setting a new major international deal.

Mr. Ghorbanifar had worked for Israeli intelligence before the fall of the shah, sources said. After the Ayatollah Ruhollah Khomeini's Islamic Revolution in January 1979, he was involved in a coup plot against the new regime, which was uncovered. Many were executed as a result, but Mr. Ghorbanifar escaped because he was abroad at the time, they said.

However, the sources said, the Iranian authorities had seized some of Mr. Ghorbanifar's relatives, and were thus able to "turn" him so that from then on he worked on behalf of the regime.

The initial purpose of the arms deal negotiations was to ransom CIA Beirut station chief William Buckley, who was kidnapped by Islamic Jihad terrorists off the streets of Beirut on March 16, 1984.

Mr. Buckley was the CIA's leading terrorism and Middle East affairs analyst, and had been charged with rebuilding the agency's Lebanon operations after its leading experts on the region had been murdered in a suicide truck-bomb attack on the Beirut Embassy in April 1983.

The CIA reportedly spent a fortune unsuccessfully trying to trace and rescue Mr. Buckley, but in April 1985 the London-based Shi'ite Moslem newsletter Al-Taqrir, which has excellent contacts in Tehran, re-

ported that he had been secretly flown to Iran and held near the holy city of Qom, where he was tortured to make him reveal CIA secrets.

Mr. Ghorbanifar reportedly dangled before Messrs. Khashoggi and Nimrodi the possibility that he could get Mr. Buckley out, the sources said. But there was a price to pay. The Iranian arms dealer, secretly working for the Khomeini government, turned over to his Israeli contacts Iran's shopping list of military hardware, and at the top of the list were U.S. TOW anti-tank missiles.

"No mention of any moderate factions in Iran here," one informed source said. "They were faced with Khomeini's own shopping list."

A second meeting was held in Paris in May 1985. In addition to Messrs. Ghorbanifar, Nimrodi and Khashoggi, Israeli Foreign Ministry Deputy Director General David Kimche, a former deputy director of the Mossad secret service, and Israel Aircraft Industries Chairman Al Schwimmer also attended. Former National Security Adviser Robert McFarlane monitored the proceedings from Washington.

The meeting quickly confirmed to the participants' satisfaction that Mr. Ghorbanifar had excellent contacts in Tehran, and gave the green light to go ahead with the deal.

It was at this stage that retired U.S. Air Force Gen. Richard Secord became involved, apparently at the instigation of Lt. Col. Oliver North of the National Security Council. Approximately 600 TOWs were then shipped to Israel and sent on to Iran.

Mr. McFarlane reportedly was concerned about Israeli reports that the Soviet Union was making progress in its relations with the Iranian regime. In August 1985, Mr. Peres flew to Washington and told Mr. McFarlane that Mr. Ghorbanifar had made contact with Iranian parliament (Majlis) Speaker Ali-Akbar Hashemi Rafsanjani. The Israelis then reportedly believed that in return for a shipment of arms, all the U.S. hostages would be released.

The next major "arms deal summit," the sources said, came on Sept. 14, 1985, in Hamburg, West Germany. The Israelis and Mr. Khashoggi were reportedly angry at the Iranians because no U.S. hostages had been released, despite the first TOW shipment. Mr. Ghorbanifar spoke by telephone from the meeting to Iranian Prime Minister Mir-Hussein Musavi, the sources said.

At one point in the meeting, they said, the exchanges became so heated that Mr. Nimrodi grabbed the telephone from Mr. Ghorbanifar and — in perfect Farsi — talked directly to Mr. Musavi.

As a result of the meeting, the sources said, another 500 U.S. TOWs were shipped into Iran, and a hostage, the Rev. Benjamin Weir, was freed.

Mr. Nimrodi told the Tel Aviv daily Ha'aretz this week that after Mr. Weir's release he and his associates were requested to stop handling the

issue. The implication is that the request was made by the Israeli government.

Israeli Cabinet Secretary Eliakim Rubenstein said this week that everything Israel had done in the negotiations had been in accordance with requests from the U.S. government "through authorized spokesmen."

By the time Mr. Weir was released, Mr. Buckley had died, according to some reports as early as May 1985. He reportedly had been returned by his Iranian captors to Islamic Jihad, and had died of his injuries and lack of medical attention in or around Beirut.

Mr. Buckley's death appears to have had a sobering effect on all the parties concerned in the hostage drama. Living conditions for the hostages in Lebanon apparently improved afterward, including the provision of medical treatment.

By the end of 1985, Mr. Ghorbanifar apparently was completely cut out from the negotiations, the sources said. However according to a report in The New York Times on Sunday, he sent two checks to Mr. Khashoggi totaling \$5 million in 1986, and another \$12 million was deposited that year by him at the Monte Carlo branch of the Bank of Credit and Commerce International, a bank tied to former Saudi officials.

The close links of Mr. Ghorbanifar to the Iranian government suggest that the Iranian leaders were in on the "sting" from the very beginning as an operation to gain the advanced U.S. weaponry they needed.

The links also suggest that reports of increasing Saudi-Iranian cooperation over the past 15 months are well-founded, and that both Mr. Khashoggi and Mr. Ghorbanifar were acting as unofficial "cutouts" serving their country's interests.

The Saudis would have been motivated by a desire to further their relationship with the Reagan administration, and to open their own channels to Iran.

The reported involvement of Iranian Prime Minister Musavi in the negotiations casts doubt over the rationale that the U.S. operatives involved were trying to build their links to a presumed moderate faction in Iran. Mr. Musavi and President Sayed Ali Khamenei have been labeled as more to the left, and increasingly anti-U.S., by Western experts.

In December 1985, about the time Mr. McFarlane resigned as national security adviser, he reportedly decided that the whole connection was too unreliable, and broke off his connections. He apparently did not trust either Mr. Ghorbanifar or Mr. Rafsanjani.

However, in January, President Reagan reportedly asked Mr. McFarlane to resurrect his links to secure the release of the hostages. According to sources close to Mr. McFarlane, he reluctantly did so.

choice 'lock'

Carlucci was deputy director.

Carlucci was first told who had known him for what he had been chosen Director Adm. Stans for the agency's No. 2

Carlucci responded, "That's barely know the man," said. Mr. Carlucci said dm. Turner only once any at a tennis game xander Haig.

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North was meticulous in contacts, Perot says

"was meticulous always in the handling of the money. In this last case, he insisted one of my people actually keep his hands on the money until we exchanged it for people.

"That doesn't sound like a loose,

U.S. Employed A 'Sting' Setup For Arms to Iran

Officials Were Shipping Weapons at the Time

By STUART DIAMOND

The United States Government set up a major "sting" operation late last year, complete with a fraudulent bank account, to catch arms merchants dealing with Iran, according to court documents, bankers and officials involved in the case.

The operation, at the same time high Administration officials were secretly shipping arms to Iran, resulted in 17 indictments last spring, and a Federal trial is proceeding in the Southern District of New York in Manhattan.

The defendants, pleading not guilty, say they had the approval of high Administration officials to sell arms to Iran. The defendants also say the Government's chief sting operative, Cyrus Hashemi, an Iranian, was at the same time involved in shipping the covert arms to Iran for the Administration. Mr. Hashemi died suddenly in London last July in what his brother said were suspicious circumstances.

Legal sources close to the United States Attorney's Office said that the office had not been aware of the Administration shipments when the case was filed and that the shipments might seriously undercut their case.

'Basic Issues of Fairness'

"It raises basic issues of fairness to prosecute someone for committing a crime at the same time that the Government authorizes the same conduct," one highly placed Government source said.

Many of the defendants say they now believe the United States Customs Service, which began the sting operation, did not know the Administration was shipping arms. They theorize the Administration was not willing to tell Customs the problem for fear of disclosing its covert operation, which has now been made public.

"Obviously, the right hand did not know what the left hand was doing," said William M. Kunstler, a lawyer for one of the defendants, a Los Angeles businessman named Nico Minardos.

Benito Romano, the Executive Assistant United States Attorney for the Southern District, said it was improper for him to go much beyond the public record in the case, but added, "Obviously, new facts have come to light which must be fully developed, and assessed."

The Customs Service in Washington

referred inquiries to spokesmen at the Justice Department, but the spokesmen did not return telephone calls.

The case has many trappings of international intrigue, complete with secret tapings in luxury hotel rooms, meetings in Europe and the repeated invoking of the names of top American Government officials by people with relations in the shadowy world of arms trade. The details are revealed in tapes, and memorandums recently made public and in interviews with many involved in the case.

The details add another bizarre twist to the unfolding story of the Administration's covert and possibly illegal shipments of arms to Iran and aid to Nicaraguan rebels and raise more questions about the Government's motives in each case.

The first public notice of the attempts to sell arms to Iran occurred on April 22, when Federal officials charged 17 suspects with plotting to sell more than \$2 billion in American-made weapons to Iran. The suspects included a retired Israel general, Avraham Bar-Am, as well as German and French businessmen and Samuel Evans, an lawyer who lived in London.

Rudolph W. Giuliani, the United States Attorney, said the plotting had been linked by Mr. Evans, a 50-year-old American lawyer in London. The commissioner of the Customs Service, William Von Raab, described the suspects as "brokers of death."

But Mr. Evans was also the lawyer for Adnan M. Khashoggi, a multimillionaire Saudi Arabia arms dealer who had been arranging for the Reagan Administration the sale of some of the same weapons to Iran, according to many sources with knowledge of the arrangements.

A 50th Birthday Party

Those sources traced both cases to a 50th birthday party for Mr. Khashoggi in Marbella, Spain, last July 23-24. Among those at the party were the actress Brooke Shields, many international businessmen and Maxwell W. Rabb, the American Ambassador to Italy, several sources said.

"Rabb told me at Khashoggi's party that Khashoggi was coming up with an ingenious plan to free the hostages," said Ronald Kessler, whose book on Mr. Khashoggi, "The Richest Man in the World," has just been published by Warner books. Mr. Kessler, who has interviewed Mr. Khashoggi and others in the arms business, said the Saudi Arabian helped arrange the sale of \$12 million in American arms to Iran as part of \$120 million in shipments from several countries. The sale of the American arms has been linked by many sources to freeing of hostages.

Also at the party was Nico Minardos, who with Mr. Evans had been part of Mr. Khashoggi's firm, Triad, which had been engaged in shipping arms. Mr. Minardos, now one of the defendants in the New York case, said Mr. Khashoggi had arranged for him to meet Mr. Hashemi, the cousin of Hojatoislam Hashemi Rafsanjani, the Speaker of the Iranian Parliament.

Mr. Minardos said that last fall, Cyrus Hashemi asked him to help with obtaining American arms for Iran. Various other defendants in the New

York case also said Mr. Hashemi contacted them. "I said I would do it, if it was legal, if the U.S. Government approved," Mr. Minardos said in an interview.

Turned State's Evidence

Mr. Hashemi, however, had been under a 1984 indictment for trying to ship arms illegally to Iran. Unknown to the defendants, they said, Mr. Hashemi had secretly turned state's evidence last year in return for the possibility of leniency.

They said Mr. Hashemi had an Iranian company called Galaxy, which was set up to obtain arms for Iran. In documents released by the Government Wednesday, an Oregon businessman said Galaxy had an account at Chemical Bank in New York into which the Iranian Government had placed \$1 billion for the purchase of arms.

Chemical, however, said yesterday that the Galaxy account was set up by the Customs Service and the Secret Service as part of a sting operation to catch arms dealers. The bank said the account had an average balance of less than \$100 for the period of the investigation and disputed that Iran had placed \$1 billion in it. The Secret Service denied involvement in the matter yesterday.

From the fall of 1985 through February of this year, Mr. Hashemi secretly taped telephone conversations that occurred in New York, London, Paris, Athens and other locations.

On Feb. 7, Mr. Hashemi told Mr. Evans that Galaxy had a bank balance of "low- to mid-nine figure" for arms. On Feb. 10, Mr. Hashemi told Mr. Minardos that their telephone conversation was on "a safe line," although in fact it was being taped.

The defendants, meanwhile, pressed for American Government approval. According to the transcripts and interviews, they met in Paris on Dec. 3, 1985, and Jan. 7, 1986, with two men, John Delaroque and Bernard Veillot, who assured them the approval would be forthcoming.

Defendants said Mr. Delaroque was a well-connected American official with a diplomatic passport who had worked with the United States Government for two years to sell arms to Iran and set up communications. They said Mr. Veillot worked with Mr. Delaroque.

The tapes revealed the defendants said they had been assured by Mr. Veillot and Mr. Delaroque that Vice President Bush and others including P. X. Kelley, commandant of the Marine Corps, were reviewing the matter.

The weapons were to include more than 100 planes, helicopters and TOW anti-tank missiles. The United States later admitted it had sold more than 2,000 TOW missiles to Iran. There is also mention in the tapes of an Iranian offer of Russian tanks to the United States, an offer corroborated in separate documents made public by the Government on Wednesday.

On Jan. 31, Mr. Evans told Mr. Hashemi that Mr. Delaroque had told him that he was meeting with Mr. Bush but "the indication is very clear that the transaction can go forward."

On Feb. 7, Mr. Delaroque told Mr. Hashemi, "It's gone as far as the Vice President."

Also on Feb. 7, Mr. Evans told Mr. Hashemi, "The green light's been

A sign of how serious the armed forces are about their new role in stopping drug smugglers: Officials of the Navy, Air Force and Coast Guard joined drug agents in using a Naval War College computer—usually employed in U.S.-Soviet war games—to map a new strategy for intercepting narcotics along the Atlantic and Gulf coasts.

WASHINGTON POST

29 NOV (1 DEC) P.19

Moscow Assails Deployment Of Missiles in South Korea

Washington Post Foreign Service

MOSCOW, Nov. 28—The Soviet news agency Tass today condemned the United States for its decision to deploy nuclear-capable Lance missiles in South Korea and said the Reagan administration must bear the "dangerous" consequences for the action, announced in Washington last month.

"The United States has taken another step to heighten international tension further by deciding to site its Lance theater missiles in South Korea," Tass said.

Reunification of North and South Korea would be complicated by the action, the official news agency said in a lengthy statement.

In an announcement Nov. 13, the Defense Department said that U.S. Army forces deployed in South Korea would be equipped with Lance battlefield weapons capable of carrying nuclear warheads.

The United States is "effectively lending new nuclear missile parameters to the situation in the Far East," Tass said today.

Western diplomats in Moscow interpreted the Tass statement as an indication that the Kremlin is taking the offensive against an expected onslaught of new weapons systems brought on by the apparent falling apart of SALT II.

given, that Bush is in favor, Shultz against but nevertheless, they are, they are willing to proceed."

Secretary of State George P. Shultz has since been reported to have been against the arms shipment.

Mr. Minardos said he asked Ambassador Rabb later in February in Rome if the United States had in fact approved their sale of arms. Before Mr. Rabb got back to him, Mr. Minardos said, he was arrested. Mr. Delaroque and Mr. Veillot were among the 17 arrested and charged in the operation.

WASHINGTON TIMES 1 DEC 1986 Pg.1

Carlucci heads list of NSC candidates

By Jeremiah O'Leary
THE WASHINGTON TIMES

Frank Carlucci, the former deputy secretary of defense in the Reagan administration and the deputy director of the CIA in the Carter administration, has emerged as the front-runner to succeed Vice Adm. John Poindexter as the president's national security adviser, it was learned by The Washington Times.

An announcement of the successor might be made as early as this morning, when President Reagan meets with top officials at the White House. The president returned last night from a brief Thanksgiving break at his California ranch to a capital rife with rumor, speculation and intrigue.

The search for Adm. Poindexter's replacement has narrowed to a so-called "short list," including the names of David M. Abshire, 60, who is completing a three-year tour as U.S. ambassador to NATO, and William G. Hyland and Bobby Inman, both of whom were former deputy directors of the CIA.

Mr. Carlucci is said to have the support of Secretary of State George Shultz, Secretary of Defense Caspar W. Weinberger and CIA Director William J. Casey. Mr. Hyland is understood to be the favorite of Donald Regan, the White House chief of staff.

Though several persons talked to Mr. Carlucci over the weekend about his availability, the job has not been tendered by the president. "This is not a job you accept with one telephone call," Mr. Carlucci said last night. "There must be a clear understanding of what the charter is all about."

The strengths that make him attractive as a compromise choice are said to be his ability to work as "a civil servant in the British mold, who can work with a Democratic or Republican administration with equal effectiveness."

Mr. Carlucci, who was deputy secretary of defense in the first two years of the Reagan administration, has had a long career in government. He was chairman of Sears World Trade Inc., which recently was dissolved. He still operates his own consulting firm, International Planning Analysis Center, which reports \$4.5 million in annual sales.

Adm. Poindexter, the man he would replace, resigned last week

after it was disclosed that profits from U.S. arms sales to Iran were diverted to Nicaragua's anti-Marxist rebels, or Contras.

The growing furor over the Iranian arms sales and Nicaraguan rebel funding led to the firing of Lt. Col. Oliver North, 43, the aide to Adm. Poindexter who is believed to have engineered the plan to divert money from Iran to the Contras during a period when Congress would not authorize aid to the rebels.

Congress has since approved \$100 million in aid to the Nicaraguan resistance.

Navy Secretary John Lehman, former United Nations Ambassador Jeane Kirkpatrick and retired Air Force Lt. Gen. Brent Scowcroft also figured in the speculation over who would succeed Mr. Poindexter, but are now believed to be out of the running.

The replacement for Adm. Poindexter is expected to insist on a strong mandate for taking charge of the 46-member NSC staff in light of the apparent pervasive influence of White House Chief of Staff Donald Regan, who is himself the subject of rumors that his job is in jeopardy.

Mr. Regan says he knew nothing of the arms-to-Iran, cash-to-the-Contras scheme, and likened himself to a bank president who should not be held accountable for mistakes by "bank tellers," presumably Adm. Poindexter and Col. North.

Some NSC aides are bitter over what they describe as "constant interference" by Mr. Regan and his hand-picked lieutenants in national security matters.

Former National Security Adviser Robert McFarlane, one of the architects of initial arms sales to Iran in mid-1985, resigned last December after a series of disagreements with Mr. Regan.

Adm. Poindexter also operated in the shadow of Mr. Regan, who is considered the most powerful White House chief of staff since the late Sherman Adams in the Eisenhower administration.

Mr. Carlucci is a Princeton graduate, Korean War naval gunnery officer and former foreign service officer. In 1960, he was the victim of a stabbing in the Congo (now Zaire) when he rescued a carload of Americans from a mob. He served in Zanzibar and as political officer of the U.S. Embassy in Brazil.

KINNOCK...from 16

seen as ruthless and egotistical, more interested in winning the next election than in fidelity to the socialist Labor movement. "Do it my way, or I won't play," is the way his opponents in the party paraphrase the Kinnock dictum.

Kinnock own definition of his leadership style differs slightly. "Do it my way," he said, "or *you* won't play."

Labor's success in the next elections will depend to a significant degree on selling its defense policy to a still-skeptical electorate. While polls show voters believe Labor can do a better job dealing with what they see as Britain's most pressing problems—unemployment and the decline in social services—Thatcher still is viewed as the country's best bet for defense.

The concept of a Britain without nuclear weapons is one that is slowly gaining in popularity here. But neither the majority of his compatriots nor Britain's closest ally is yet convinced.

Mr. Carlucci later became director of the Office of Economic Opportunity in 1971.

The following year he became deputy director of the White House Office of Management and Budget, then run by Mr. Weinberger. In 1973, he was named Undersecretary of Health, Education and Welfare, where he helped carry out the so-called New Federalism plan to give states and localities greater control over social programs.

President Gerald Ford named him ambassador to Portugal in 1974 and he is credited with helping to save Portugal from a communist takeover at a time when Secretary of State Henry Kissinger had written off the country and had opposed further aid to Portugal's Socialist government.

Mr. Carlucci, working closely with Helmut Schmidt, then chancellor of West Germany, helped arrange desperately needed financing for Portugal's Social Democratic Party, which finally prevailed against the Communists.

In 1978, President Jimmy Carter named Mr. Carlucci deputy CIA director under Stansfield Turner. After Mr. Reagan was elected in 1980, Mr. Weinberger refused to serve as secretary of defense unless he could have Mr. Carlucci as deputy secretary. Mr. Carlucci was strongly opposed by conservatives in the new administration and in Congress. But he got the job and worked with Mr. Weinberger until 1982, when he left to join Sears World Trade.

NORTH...from Pg.2

staff launched its secret diplomacy with Iran, which has been at war with Iraq since 1980.

Mr. Ikle, contacted at his home yesterday, said he did not recall the events of the March meeting.

Defense Department procedures for obtaining weapons used in paramilitary programs are classified and investigators would not say how the argument between Col. North and Mr. Pillsbury was resolved.

All U.S. weapons stockpiles are earmarked for various wartime contingencies, and Pentagon rules require that all requests for arms used in covert intelligence operations must pass through a secret system, congressional investigators said.

Covert arms transfers are thus carried out without leaving any traceable records or disclosing details about the intelligence operation.

Col. North "refused Ikle's request to coordinate requests for weapons and intelligence support with Ikle and Pillsbury as called for by normal procedures," one aide said.

Senate investigators said they questioned senior Defense Department officials, including Defense Secretary Caspar Weinberger, as well as two staff members of the National Security Council.

Adm. Poindexter ordered the probe of Mr. Pillsbury following press reports of the Stinger anti-aircraft missile shipments to Angola, investigators said. The Defense Investigative Service conducted the probe of Mr. Pillsbury, which included a polygraph examination that led to his dismissal.

Mr. Hatch said he was considering a number of options as a result of the investigation and hopes that Mr. Pillsbury will be reinstated in his Pentagon post.

Brendan V. Sullivan, Col. North's attorney, declined to comment. Adm. Poindexter could not be reached.

Meanwhile, Senate investigators said Col. North allegedly circumvented Pentagon procedures by soliciting help from Richard L. Armitage, assistant secretary of defense for international security affairs, who reportedly approved four U.S. weapons shipments to Iran.

Retired Maj. Gen. Richard Secord, who once ran Air Force special operations and was familiar with the Pentagon's covert weapons policies, also worked with Col. North in obtaining U.S. weapons, they said.

A Pentagon spokesman said Mr. Armitage was unavailable for comment. Gen. Secord could not be reached.

Mr. Pillsbury, a former Rand Corp. analyst, now works as a staff aide to Mr. Hatch and Republican Sens. Gordon Humphrey of New Hampshire, Jesse Helms of North Carolina and Chic Hecht of Nevada.

Israelis Shipped Obsolete Parts

Incident Angered Iranians, Led to Direct U.S. Role

By Walter Pincus
Washington Post Staff Writer

Israeli arms brokers substituted obsolete anti-aircraft missile parts in a secret November 1985 arms shipment to Iran, angering the Iranians and causing the Reagan White House to begin sending weapons directly from U.S. military stocks, informed U.S. and Israeli sources said yesterday.

Iranian military officers had given the Israelis a list of specific spare parts for a type of anti-aircraft battery known as Improved Hawk, or I-Hawk, but for reasons that are not clear they received parts for an older, less sophisticated version of the Hawk.

The November shipment was eventually returned to Israel, and the incident led the White House to stop using the Israeli arms brokers as intermediaries in the shipments.

Those Israelis had begun the clandestine operation with tacit U.S. approval in the fall of 1985, when two arms shipments to Tehran resulted in the Sept. 14 release of the Rev. Benjamin Weir, who had been held hostage in Lebanon by pro-Iranian extremists.

The White House opted to begin selling parts directly from the U.S. arsenal for what became four subsequent shipments this year. The Iranians paid millions of dollars more than the \$12 million value of the weapons into a Swiss bank account, and some of those profits were secretly diverted to aid Nicaraguan contras, according to administration disclosures last week.

In a statement released yesterday, Israeli businessman Yaacov Nimrodi confirmed earlier reports that he had organized the September arms shipments to Iran as a way "to bring about the freedom of the American hostages."

He said Weir was released as a result of these activities, but that afterward, "the Americans apparently reached the conclusion that it is within their ability to continue efforts for the release of other hostages without my help."

"The negotiations continued without me," Nimrodi said. "At the same time," he added, "my friends and myself were asked to stop dealing with the subject."

Nimrodi's friends have been identified as David Kimche, the former director general of the Israeli foreign ministry, and Al Schwimmer, the founder of Israel Aircraft Industries.

In February, 500 TOW antitank missiles were sent to Tehran directly from U.S. stocks and in late May parts for the I-Hawks were

sent as a replacement for the rejected November shipment, according to informed sources.

According to these sources, some of whom were aware of the secret shipments at the time, this new phase of direct U.S. supplies stripped the White House of the "deniability" it had been able to maintain last year, when the arms were brokered by Israelis and taken from Israeli stocks that were eventually replaced by the United States.

When the direct shipments began, Marine Lt. Col. Oliver L. North of the National Security Council staff was designated as the White House liaison on the issue with the Israeli government. Israeli Prime Minister Shimon Peres selected Amiran Nir, his counterterrorism adviser, to be North's counterpart.

The White House had been told by the Israeli middlemen before Weir was freed that all five living American hostages would be released. Despite the setback in securing only one hostage, the Israelis were told that a shipment of I-Hawk parts would help to free the remaining four Americans. The Israelis chose late November for the shipment, according to one source, in part to mollify the White House in the wake of the arrest of Jonathan Pollard, who was eventually convicted of spying for Israel.

When word of the Iranian anger over the obsolete Hawk parts became known in Washington, former national security adviser Robert C. McFarlane and North, who had helped arrange the September and November shipments, "were damn angry at the Israelis for sending old equipment," said one source familiar with the transaction. The idea of sending arms to Tehran as a sign of U.S. "good faith" had originated in discussions between McFarlane and Kimche in the summer of 1985.

White House officials in the past have said there was a "pause" in the Iran program about this time last year because McFarlane, North and the national security adviser, Vice Adm. John M. Poindexter, were changing their "contacts" in Iran.

A Washington source familiar with the Israeli arms deal said yesterday that Nimrodi was not in-

involved in the November shipment and that the substitution of old parts for I-Hawk parts came about because of a "misunderstanding by people who didn't know weapons rather than a desire to cheat the Iranians."

The failure of the November shipment and the subsequent Iranian complaints came at a time when State and Defense department officials were trying to convince President Reagan that he should not use arms shipments as a means for opening contacts with Iran or in seeking help to free the remaining American hostages.

The incident also took place while the arms-to-Iran program was creating controversy within the Central Intelligence Agency. John McMahon, then the CIA's deputy director, agreed to provide agency assistance in getting an airplane for the November shipment after an unusual oral request from North.

At the time, according to congressional sources, North told McMahon that the plane would be carrying oil-drilling equipment. CIA Director William J. Casey was in China at the time, sources said.

McMahon, according to Sen. Daniel Patrick Moynihan (D-N.Y.), approved North's request but warned that he would require an order from Reagan to do it again. "I'll do it once, but the next time . . . this has to come from the president in writing," Moynihan, on the NBC News program "Meet the Press," quoted McMahon as saying.

In January, the White House received word of the Iranian military's unhappiness with the Hawk shipment, but also a hint that if newer equipment were furnished, talks about the hostages could continue, according to sources.

On Jan. 17, according to White House officials, the president signed a secret intelligence order authorizing the shipment of U.S. arms to Iran as part of a covert program to open contacts and seek help in obtaining the hostages' release.

In February, according to Attorney General Edwin Meese III, the November shipment of old Hawk parts was returned to Israel. In the same month, according to informed sources, the first U.S. shipment of 500 TOW antitank missiles went

from the United States to Israel and then to Iran. All of this year's shipments were routed from the United States through Israel, and in at least some cases were flown circuitously from Israel through Europe to Iran.

Also in February, the CIA's McMahon quit without explanation. He now works for the Lockheed Corp.

On May 28, McFarlane, North and two others landed in Tehran in a plane carrying parts for the I-Hawks. Iran had the weapons from the 1970s, when it was a close ally of the United States and before revolution swept out the shah and brought Ayatollah Ruhollah Khomeini to power. McFarlane has told friends that he expected all of the remaining hostages to be freed before his arrival.

The United States sent two more shipments totaling 1,500 TOW missiles in August and late October. Two more hostages, the Rev. Lawrence M. Jenco and David P. Jacobson, were released. In September and October, three more Americans were kidnaped in Beirut and reportedly are held by pro-Iranian extremists.

The idea of sending arms to Iran to cultivate contacts within the Khomeini regime began early in the Reagan administration, according to sources. In 1981, then-Secretary of State Alexander M. Haig Jr. gave tacit approval for an Israeli proposal that arms be sent to build contacts within the Iranian military. The Israeli idea, according to Moshe Arens, ambassador to Washington at the time, was to encourage the military leadership to overthrow the Khomeini regime.

No moderates in the armed forces were uncovered, Arens said recently, and U.S. support ended when Haig was convinced by his staff that the arms shipments were contrary to U.S. interests.

For the next five years, until Nov. 4, when the first reports of McFarlane's trip to Tehran appeared, the Reagan administration and the president personally emphasized that the Khomeini regime supported terrorism and that the United States would never pay ransom to extremists holding U.S. hos-

PARTS . . . Pg. 12

Phone Calls Link U.S. Aides to Contras

By JAMES LEMOYNE
Special to The New York Times

MIAMI, Nov. 29 — Telephone records from Nicaraguan rebel "safe houses" in El Salvador show a series of calls on the same days in September to the former White House offices of Lieut. Col. Oliver L. North, as well as to the company run by a retired general involved in dealings with Iran and the Nicaraguan rebels.

They also show calls to a telephone in Costa Rica that appears to belong to an American intelligence operative.

The telephone calls were from a safe house in El Salvador used by American crews secretly flying weapons to the Nicaraguan rebels during a Congressional ban on such aid, and the calls appear to offer the strongest circumstantial evidence so far that there was close coordination between the rebels, Colonel North, American officials in Costa Rica and someone in Stanford Technology Incorporated, of which Gen. Richard V. Secord, retired, is a leading member.

Senior Administration officials had previously contended that the rebel supply operation was "strictly private" and therefore did not violate the Congressional ban on delivering arms to the guerrillas. It appears increasingly likely, however, that the program may have been prompted by American officials, financed by secret arms sales to Iran and then monitored by American officials in Central America.

A Link to North's Office

The White House numbers listed in the telephone records from El Salvador are in the executive office building and, according to close associates of Colonel North, were his former numbers. They have since been disconnected. When dialed now a recording says, "You have reached a nonworking number for the executive offices of the President."

The telephone numbers dialed from rebel safe houses in immediate succession on the same days in September include not only calls to Colonel North's offices but also calls to what appears to be the home phone of an American official in Costa Rica whose name the embassy there has asked to not be pub-

lished for "security reasons." It is against the law to publish the name of an American intelligence agent.

Other calls on the same days went to what appears to be an unlisted number in the United States Embassy in Costa Rica. An embassy spokesman refused to comment when asked if the number was an embassy line.

The evidence of the telephone calls, supported by detailed descriptions by those involved in the covert supply program, also appears to offer the most complete picture so far of how the secret operation worked in flying weapons to the rebels.

Crew members on the rebel flights say the more than \$2 million program began in earnest last April and included the building by Americans of a secret airstrip in Costa Rica. The operation was closely overseen by three retired American military officers, General Secord, Col. Robert Dutton and Richard Gadd, the sources said.

Attempts to reach the men for comment today were unsuccessful. Mr. Secord has a long history of work in Iran and reportedly accompanied American officials in their failed trip to Iran earlier this year as part of the Administration program to sell arms there. Mr. Gadd and Mr. Secord have denied any wrongdoing in the rebel operation. Mr. Secord and Mr. Dutton work for Stanford Technology Incorporated, a company with a history of arms trades and dealings with Iran.

Two rebel crew members said Mr. Dutton had worked as Mr. Secord's assistant and had asked that rebel crews call him from El Salvador to tell him of impending rebel weapons drops. Two former Cuban-American Central Intelligence Agency operatives working in El Salvador monitored the program and delivered coded messages saying where weapons were to be delivered to rebel units, the sources added.

The two rebel sources closely involved in the rebel flights said Mr. Secord, Mr. Gadd and Mr. Dutton all visited El Salvador earlier this year to help set up an improved rebel supply line during the time Congress had banned the Administration from arming the guerrillas.

The same two rebel sources said Mr. Secord and Mr. Gadd, whose company is the American National Management Corporation, went to El Salvador in April to say there would be more money and new planes available for the stepped-up rebel supply line. Mr. Gadd hired some members of the rebel flight crews, two rebel sources said.

Contract for 'Humanitarian' Aid

According to State Department officials, Mr. Gadd had a contract earlier this year to supply Congressionally approved "humanitarian" assistance to the rebels.

Two sources closely involved in the rebel flights said Mr. Dutton went to El Salvador in September, when the telephone calls were made from rebel safehouses to Colonel North's offices, to Stanford Technology Incorporated, and to American officials in Costa Rica.

Saving Records Ordered

By GERALD M. BOYD
Special to The New York Times

SANTA BARBARA, Calif., Nov. 28 — Officials at the White House and the National Security Council were ordered today to preserve all records about the diversion of profits from Iran arms sales to rebels in Nicaragua.

The unusual order, which cited the need to protect the "integrity" of public and personal files, came after the Justice Department asked that the White House insure that such records were not mutilated.

The order, announced here, was contained in a memorandum from the White House counsel, Peter J. Wallison, in Washington. It suggested concern among senior Reagan advisers that relevant documents might be destroyed or tampered with by officials familiar with the secret dealings.

A White House spokesman said the order was related to two investigations, one by the Justice Department and the other by a special Presidential commission. It did not refer to the Congressional inquiries.

Dan Howard, an Administration spokesman here, denied suggestions that the order was in response to reports that Colonel North had destroyed several documents from the National Security Council last weekend that might have been critical to the inquiries.

The directive was provided to all officials in the White House and the National Security Council, but not to Cabinet officers or officials in other agencies. Some, such as those in the Central Intelligence Agency, are expected to be questioned by the Justice Department.

'Completed Cooperation' Ordered

"The President and the chief of staff have directed that each of you give your complete cooperation and assistance to these inquiries," the order said. "The integrity and credibility of these examinations require access to all relevant records you have maintained."

It included a list of applicable records, including notes, briefing materials, memoranda, calendars, diaries, telephone logs and computer records. In addition to such documents, which it noted were official Presidential papers, it said that the order also included personal records, which the Justice Department might examine in the course of the inquiry.

"None of your records, personal or official, should be removed from the White House complex, destroyed, altered or in any way impaired," it said.

Mr. Howard said that the purpose of the order was to "assure the staff that they have instructions to cooperate now" and that the Justice Department and the special commission had the authority "to look at anything we got and to talk to anybody about anything."

Donald T. Regan, the White House chief of staff, said on Thursday that the President would not be questioned in connection with the Justice Department's criminal investigation, which is being directed by Attorney General Meese.

Today, Mr. Howard, while not disputing Mr. Regan, said Mr. Meese could conduct the inquiry any way he saw fit. That implied that the President might be questioned.

"What the President has indicated is that the Attorney General has a blank check to do whatever is necessary to complete the investigations," Mr. Howard said, "and I think that it is very clear that it is in everyone's interest to get to the bottom of this and to get it out as soon as possible."

The rebel operation was officially run under a front company called Corporate Air Services. A key question for investigators in the covert operation would appear to be whether Mr. Secord or others involved set up Corporate Air Services and whether money from Swiss bank accounts holding profits from Iranian arms sales was used to pay Corporate Air Services bills.

The calls to Costa Rica and the White House came as the rebel crews based in El Salvador were flying missions over Costa Rica and into southern Nicaragua to drop weapons to rebel units there.

They also came as the new Costa Rican Government decided to clamp down on covert rebel activities, seizing a secret rebel airstrip built under the advice of two Americans, one of whom

has said he was working on classified matters. According to members of the rebel supply crews, the airstrip was part of their operation and had been built as a refueling and supply station for their planes.

Providing weapons to the so-called rebels' southern front near the Costa Rican and Nicaraguan border was considered crucial by rebel and American officials earlier this year, because rebel units there had been without supplies for almost 12 months. A senior rebel official said the C.I.A. promised the guerrillas weapons in this period and "the weapons arrived."

The weapons were all dropped by the American crews based in El Salvador, members of the supply operation said.

On Sept. 15 the telephone records list calls made in succession from the rebel safehouse in El Salvador to the home of the American official in Costa Rica who cannot be named, as well as to Colonel North's office and to Mr. Secord's company.

On Sept. 17 the records again list successive calls to Colonel North's office,

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tages. A strong corollary to these antiterrorism policies was Operation Staunch, the worldwide U.S. effort to enlist other countries in the embargo on arms shipments to Iran and Iraq as a means for ending the war.

Meese has reportedly told congressional investigators that all of the funneling of Iranian arms money to aid the Nicaraguan rebels occurred this year, beginning with the February shipment. He also told them that none of the profits from this October's shipment went to the contras, because by then Congress had approved \$100 million in military and other aid to the rebels.

The Iran Connection

Skirting Credibility's Border In Search of a Mideast Deal

By DAVID K. SHIPLER

WASHINGTON

IN the soothing tones that have lubricated his entire Presidency, Ronald Reagan sidestepped the carping politicians, columnists and diplomats last week and took his case on Iran directly to the American people. In 12 minutes on television, he offered his version of a remarkable 18 months of secret diplomacy and arms sales to a country that his Administration had denounced as a font of terrorism and anti-American fanaticism.

The President's talk contained internal contradictions that seemed to neutralize his denials that arms had been traded for American hostages. He had "authorized the transfer of small amounts of defensive weapons and spare parts for defensive systems to Iran," he said, "for the simplest and best of reasons," namely, to woo that country back into a relationship with the United States that would spell the end of its support for terrorism.

"We did not — repeat, did not — trade weapons or anything else for hostages — nor will we," he added, just minutes after explaining: "The most significant step which Iran could take, we indicated, would be to use its influence in Lebanon to secure the release of all hostages held there." He did not mention arms deliveries by Israel to Iran, reportedly made at American request and timed to the release of three hostages who were held by a pro-Iranian group in Lebanon. Nor did he mention the role of the Central Intelligence Agency; but the day after the he spoke, the White House acknowledged that the agency had been directly involved. And despite a Will Rogers line he quoted about truth staying put longer than rumor, Mr. Reagan did not rebut "rumors" he said had been spread by the press about the secret weapons shipments.

But the President's message went beyond his words. As he warmed to the camera in his masterly style, he seemed to exude confidence that the public, wanting to trust him, would engage in what Coleridge called "the willing suspension of disbelief." In current parlance, the question was whether Mr. Reagan could maintain his reputation as the "Teflon President" to whom no criticism sticks.

But judging by the criticism from both conservatives and liberals, Middle East experts and some officials in the White House and State Department, the Iran matter threatened to push Mr. Reagan toward the lame-duck status that often plagues a President's last two years in office. He faced rough going anyway with the Democrats having just won a majority in the Senate. Now, it seems, he may have added to that political difficulty problems born of damaged credibility, uncoordinated decision-making and incoherence in foreign policy.

Consequently, ideological adversaries found themselves in rare accord last week. Senator Barry Goldwater, the conservative Republican from Arizona, called the military shipments to Iran "a dreadful mistake, probably one of the major mistakes the United States has ever made in foreign policy." Senator Robert C. Byrd of West Virginia, the leader of the new Democratic majority, saw it as a "major foreign relations blunder." Secretary of State George P. Shultz, whose diplomats were pressing European allies to withhold arms as American equipment was being delivered secretly, was reported to have opposed the operation, along with Defense Secretary Caspar W. Weinberger.

The credibility factor had implications beyond Washington politics. Some pro-Western Arab leaders who had believed Secretary Shultz's assurance of American neutrality in the six-year-old Iran-Iraq war were reportedly seething over what they saw as deception. Although Mr. Reagan hoped his opening to Teheran would, as he put it, "bring an honorable end" to that conflict, he offered no hint of how that might be accomplished by providing Iran with weapons. Further, Middle East experts wondered what impact the secret deliveries would have on the tough image Mr. Reagan has cultivated against state-supported terrorism.

As if to counter the impression of softness, the Administration announced limited sanctions against Syria, which was found in a London trial to have conspired in a failed attempt to blow up an Israeli El Al jet. Britain, which broke relations with Syria, was keeping its distance from Mr. Reagan's Iran policy. But France, which has maintained relations with Damascus, was rewarded last week by the release of two French hostages who had been held in Lebanon by a pro-Syrian group.

The Administration's credibility problems predated the Iran controversy. They began earlier this fall with reports that the White House had mapped a disinformation campaign last summer to plant false stories in the press that Colonel Muammar el-Qaddafi of Libya was planning new terrorist attacks; the leaks hinted at further American military action.

Then in September, officials contended that no swap had occurred when an accused Soviet spy was released in New York as an American journalist was set free in Moscow. And when a weapons-laden plane with an American crew was shot down over Nicaragua, the Administration denied any involvement, although such aid to the Administration-backed Nicaraguan rebels had long been coordinated from the White House by Lieut. Col. Oliver L. North, a National Security Council official.

Discretion and Sensitivity

Colonel North was also reportedly involved in the surreptitious Iran connection, which the National Security Council apparently undertook without consulting the Middle East experts in the State Department and the Pentagon. President Reagan confirmed that his former national security adviser, Robert C. McFarlane, had gone secretly to Teheran to meet with Iranian factions in an operation overseen by the present national security adviser, Vice Adm. John M. Poindexter.

Cutting out Congress and the foreign policy establishment from such a momentous change had the advantage of keeping the secret to a small circle of officials. "There was a basic requirement for discretion," Mr. Reagan said, "and for a sensitivity to the situation in the nation we were attempting to engage." The method also dodged the ambiguities usually raised by specialists.

At least some of them doubted that the President's tactics would work. Nobody denied Iran's strategic importance, both because of its oil deposits and its "critical geography," in the President's words, between the Soviet Union and the Indian Ocean. The question is how to restore American influence. Mr. Reagan evidently accepted the Israeli argument that Washington could bolster pro-Western Iranians through arms sales. But there is no guarantee that such factions can be identified and trusted, or that weaponry can be an effective instrument for addressing the subtleties of a Middle Eastern country's internal politics.

ICAO In Aggressive Counter-Terrorism Campaign

International Civil Aviation Organization has launched an aggressive program to sharply curtail aircraft hijacking, extending its efforts to include international airports where flights between nations might be endangered. The effort is aimed at closing gaps in international law as well as in the security system itself. Canada has proposed extension of existing law to cover airports, Israel is offering a program of specific steps to foil hijacking and the Soviet Union is urging more international extradition agreements.

The proposals were presented in Montreal at the ICAO assembly and one of the most widely supported measures is the Canadian plan extending international law to international airports. This plan would make it a violation of international law to (1) commit violence against any person at such an airport if the act would interfere with the safe operation, start or completion of an international flight; (2) place any destructive device on airport premises; (3) destroy or tamper with security control gates or interfere with security operations; (4) penetrate any secure area with intention of endangering the safety of international aviation.

The Soviet extradition proposal would have all terrorists involved in an aircraft incident extradited to the nation of the aircraft's registry. The Soviet delegation said existing agreements under the Tokyo and Montreal conventions are presently inadequate to deal with the hijacking trend.

Israel's plan also drew wide praise from a number of nations and it calls for a reorganization of the ICAO headquarters, a program of preventive measures and legislation to prosecute hijackers. Statistics were provided by Israel to back up its urging that more strict measures are needed. The statistics are that the average number of hijackings over the past decade has been 32 annually; in 1984 there were 18 bomb explosions at airports, airlines offices or aboard aircraft; 12 more destructive devices were dismantled by security forces and an additional 18 crimes were committed, all leading to 78 fatalities for that year alone. In 1985, said Israel, the airlines saw 28 hijackings and an equal number of bombs that took a total of 415 lives.

The 15-point Israeli anti-hijack procedure recommends (1) thorough inspection of all passports, (2) hand search of all baggage, including possible double bottoms of suitcases and attache cases, (3) Xray examination of all luggage of suspicious passengers when the luggage is empty, (4) ask each passenger if they are carrying anything from another person for delivery at the destination, (5) a body check by hand of each passenger or by magnetic devices at boarding gates, (6) search of all hand baggage, (7) complete search of the aircraft before departure and at every intermediate stop, (8) search of all portions of the aircraft which are accessible from outside by someone on the ground, (9) comparison of the number of persons boarding the aircraft with the number who checked in and cleared the departure gate; if those numbers do not agree, the aircraft does not depart, (10) repeat security checks of all passengers as they board the aircraft, (11) identical screening of passengers boarding at intermediate stops as for those at the originating airport, (12) if a passenger is unaccounted for, all passengers and baggage are taken from the aircraft; passengers claim their own bags and re-board; unidentified luggage remaining is taken over by security forces for special treatment, (13) repeat search for explosives prior to takeoff, at all intermediate stops and again after landing, (14) unaccompanied baggage is to be inspected in a decompression chamber to detonate any pressure-fuzed bombs, suspicious baggage hand-checked, X-rayed and forwarded at irregular intervals, and (15) all cargo should be inspected in the same type of concrete and steel decompression chamber, suspicious cargo then hand-inspected, X-rayed and later shipped after a delay of at least one flight, or 24 hours to allow any timing device to detonate a bomb inside the chamber.

When U.S. policy sputters, allies in Europe tremble

London
■ These are hard times for Europe's Amerophiles. President Reagan's admission that he sold arms to Iran is the climax to a sequence of incidents that have tested the cement of the Atlantic Alliance more severely than at any point since its inception. The British Prime Minister, Margaret Thatcher, remains Reagan's most loyal international cheerleader. Yet when she returned from Camp David last week, her protestations that she "believed implicitly in the President's total integrity" sounded tired and hollow even to her admirers.

It has long been an article of faith to most Europeans that they share not just common foreign-policy goals with America but a common morality in pursuing them. America stood as a tower of strength in the way of Communist advance. Give or take occasional clashes—over tactics, for example, or the kind and levels of conventional or nuclear arms—most European governments were proud to shelter in its shadow, as were their electorates. Here was an ally that had shown, time and again, that it would "pay any price in the cause of freedom," as John F. Kennedy once promised.

From across the Atlantic, this tower has suddenly begun to sway and crack. Its occupants squabble in public. Its amiable but aging commander is unsure of himself. It is hard to exaggerate the fixation Europeans have over the clear-sightedness and consistency of the man "with his finger on the trigger." He has their lives in his hands, yet they neither elect nor influence him. They must be able to trust him, whether or not the trust is warranted. In the past three years, Reagan's marksmanship has left too many bullets lodged in his own foot for their comfort.

European reaction to the Iranian adventure itself has been less severe than the reaction to its context. Not many object to quiet exploration of what is possible in American relations with Iran. Most sensible governments engage in covert activity to protect their long-term interests, although rarely in so gauche a fashion. Some even commit the sin of getting caught—as did the French in the Greenpeace affair in New Zealand.

What has exasperated Eu-

rope's leaders more than anything else is to witness such duplicity after the tongue-lashing they received from the Reagan administration after the raid on Libya. Then, the fight against terrorism seemed to be regarded in Washington as the "third World War." Then, Europeans were a bunch of softies who needed America to come and sort them out. It was a hard enough lecture to endure, especially in Britain's case, and especially in light of Britain's tacit support for the raid, given America's halfheartedness toward Irish terrorism and continued consorting with Syria. Today, such a lecture would be greeted with scorn.

Electoral *machismo*

The raid had a dramatic impact on the attitudes of Britons toward Reagan's world leadership—in stark contrast to his popularity at home. Polls showed them declaring by 2 to 1 that they had "little or no confidence in America's handling of events." Grenada, Lebanon, Nicaragua were all regularly cited as examples of electoral *machismo* appearing to override international law or normal superpower prudence. An extraordinary 1 voter in 3 regarded America and the U.S.S.R. as "an equal threat to world peace"; 1 in 5, mostly young, even said the U.S. was the greater threat.

The Iranian affair has displayed so blatant a double standard—with or without its lethal hostages-for-arms aspect—that anti-Americanism has had a field day. It presents U.S. foreign policy as being at the mercy of the latest election poll or lobbyist. The export of American wheat to the Soviet Union while Washington objected to Europe's export of pipeline gear still rankles. Where are the air strikes against terrorist-sponsoring Syria? Nor is it only anti-Americans who ask when even the Atlantic Alliance might suddenly find itself at the mercy of a presidential-election campaign. As the *Financial Times* said, "For this President, America's security is separate from Europe's." For Britons, it is a novel and alarming concept.

Reykjavik has done nothing to calm such fears. What did, or did not, almost happen at Hofdi House is the source of desperate speculation among Europe's diplomats. But the impression has

grown of a President playing, and nearly losing, a reckless game of chicken with the Soviets, with Europe's security at stake. This, not Iran, was at the top of Mrs. Thatcher's painful agenda with Reagan at Camp David last week. The final communiqué, extraordinary in any year but 1986, had to reaffirm that in East-West defense "nuclear weapons cannot be dealt with in isolation."

Bear turns sly

To justify the West's need for unity and vigilance, nuclear strategists used to conjure up an image of a crazed Kremlin leadership reverting to barbaric imperialism. Now, they face a no less alarming scenario: A canny Soviet leader simply outsmarting a U.S. President, seducing the European electorate and lulling the West into lowering its nuclear guard.

Last month, Gorbachev seemed on the brink of persuading Reagan to progressively withdraw Europe's strategic-missile shield against Soviet aggression, without the allies' consultation and with only his faith in Star Wars as a backstop. Reykjavik may have offered Europe the hope of de-escalation in arsenals. Yet Reagan's conduct of these life-and-death issues had the opposite effect, suggesting that the "indissoluble Alliance" was up for barter and might soon be superseded by a new superpower concordat. It has fueled the case for European nuclear independence—an appalling prospect—and thus helped "uncouple" America from the rest of NATO, a longstanding Soviet strategic goal.

The majority of Europeans, those under 45, now have no recollection of war and have no practical experience of collective security under American leadership. Their politicians must constantly argue its case if the pressures on NATO, from the left and the isolationist right, are to be countered. They can point to America's six divisions on the ground in Europe and to the fact of the nuclear umbrella.

But for all this to carry conviction, Europe needs to believe that its faith in America is not blind. Reykjavik, and now the misadventure with Iran, damaged that faith. It left many Europeans wondering if they might wake up one day and find America had tiptoed away in the night. ■

by Simon Jenkins

WHITE HOUSE PLOT

Reagan pals work on a palace coup

By NILES LATHEM *Bureau Chief*

WASHINGTON — First Lady Nancy Reagan and a band of the President's longtime California cronies are trying to engineer a purge of White House officials they feel mishandled the Iran crisis, The Post has learned.

The palace coup is aimed at chief of staff Donald Regan, Secretary of State George Shultz and national security adviser John Poindexter.

Reagan intimates confirmed last night that the Californians — past and present Reagan staff members and millionaire businessmen who make up his "kitchen cabinet" — started taking things in their own hands after the President's disastrous press conference Wednesday.

They were said to be outraged at how some White House staffers protected themselves and let Reagan take the political heat for the Iran crisis.

Sources said that since new polls showed her husband's foreign policy ratings down 13 points, Mrs. Reagan has been "burning up the phones" with offers of support to friends and allies pushing for the White House shakeup.

The purgers reportedly want Regan replaced by former Transportation Secretary Drew Lewis — now chief executive officer of Union Pacific Corp. — who already has been sounded out about the job.

They also want Shultz dumped for either retiring Sen. Paul Laxalt (R-Nev.) or

Defense Secretary Caspar Weinberger.

If Weinberger is the choice, former Texas Sen. John Tower is the favorite to replace him at the Pentagon.

On the National Security Council, the group wants either former UN Ambassador Jeane Kirkpatrick or Admiral John Keiso to replace Poindexter.

Sources said one of the leading plotters is Attorney General Edwin Meese — himself deeply involved in the Iran operation.

Others include former National Security Adviser William Clark, Weinberger, Laxalt, and CIA Director William Casey.

The four influential advisers last week had private meetings with Reagan and urged him to make major staff changes.

Laxalt, one of Reagan's closest friends, has actively campaigned for the State Dept.

His close associates say there is a deal in the works for Shultz to step down after Reagan's State of the Union speech in January.

White House officials deny any such deal.

Sources said Reagan remains fiercely loyal to his staff and is reluctant to fire anyone.

They said he continues to blame the Iran problem on the press.

Prez urged to fire aides

CONGRESSIONAL leaders said yesterday that President Reagan should fire senior aides who allowed the arms deal with Iran to mushroom into a full-fledged White House crisis.

Senate Republican Bob Dole said the administration "ought to circle the wagons . . . or let a couple go over the cliff."

"Richard Nixon never did that, but I think

President Reagan still has time," Dole said on CBS' "Face the Nation."

Dole declined to identify who he wants dumped, but suggested George Shultz is one of them.

He said: "When people ask, 'Why aren't you supporting the President?' it's rather difficult when the Secretary of State is not doing anything."

Dole said he was focusing "on a problem not on a person."

Then he added: "I think the next step is to try to remove some of the problem. Thanksgiving might be a good time."

Appearing with Dole was Sen. Dale Bumpers (D-Ark.) who said, "Someone is going to go in this, maybe more than one."

Bumpers said the most likely candidate is National Security Adviser John Poindexter.

Bumpers also called on the President to hold a press conference and admit to mistakes regarding

By RACHEL FLICK
in Washington
and LEO STANDORA
in Washington

Iran.

Without elaborating, he said although Congress had been told the arms were valued at \$12 million it now appears the price tag could be as much as \$100 million.

Sens. Dave Durenberger (R-Minn.) and Sam Nunn (D-Ga.) suggested on NBC's "Meet The Press" that CIA Director William Casey might also be a candidate for the boot.

Casey so far has escaped much of the heat and is even reported to be part of an effort working toward a White House shakeup.

"The CIA was more involved than we thought they were," Nunn said.

Former Secretary of State Henry Kissinger said Reagan's biggest problem now was with George Shultz.

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Soviets sense U.S. adrift in Mideast, move for control

By Andrew Borowiec
THE WASHINGTON TIMES

NICOSIA, Cyprus — Profiting from the apparent absence of new U.S. initiatives in the Middle East, the Soviet Union is pushing for a leading role in the area.

Diplomats say the expanding Soviet strategy includes plans: to discuss forming an international conference; to improve relations with Israel; for increased diplomatic presence in the Persian Gulf, and unification of the splintered Palestine Liberation Organization (PLO).

The operation is closely supervised by Soviet Foreign Minister Eduard Shevardnadze, the man responsible for recent preliminary contacts with Israel. Relations between the two countries were broken off in 1967 at the instigation of then-Foreign Minister Andrei Gromyko, who now holds the ceremonial post of president.

An increased and more vocal Soviet presence in the Middle East is part of Soviet leader Mikhail Gorbachev's "high profile" policy throughout the world.

A key diplomat in the Middle East is Moscow's new ambassador to Syria, Alexander Dzasokhov, whose job, according to various sources, is to improve Soviet-Syrian relations and bring various PLO factions together.

Last week, Palestinian sources reported a series of meetings between the faction supporting PLO Chairman Yasser Arafat and his opponents.

The Soviet Union, according to reliable reports, has made it clear Mr. Arafat remains its choice for PLO leadership. A logical question is whether Syria, which opposes Mr. Arafat, will be receptive to intensive political pressure.

Although Syria receives vast quantities of Soviet arms, the relationship between President Hafez Assad and Moscow has been cool. Last summer, Mr. Assad openly snubbed Soviet Deputy Foreign Minister Yuri Vorontsov when he visited Damascus.

Ambassador Dzasokhov, who for years served on the Soviet "Afro-Asian Solidarity Committee," is now trying to mend the fences between the Soviet Union and its leading proxy in the Middle East. The task is difficult, and Moscow is apparently prepared to be patient.

Soviet diplomatic activity in the Middle East intensified following the unsuccessful superpower summit meeting in Reykjavik in October. It was heightened, according to some diplomats, by the disclosure of U.S. arms shipments to Iran and the resulting controversy damaging to President Reagan.

The Soviet Union carefully maintains relations with both Iran and Iraq. Moscow also tries to penetrate the Arab countries in the Persian Gulf, the main source of financial backing for the Iraqi war effort.

During the past year, Moscow established diplomatic relations with the Sultanate of Oman and with the United Arab Emirates (UAE). It continues pressing for links with arch-conservative Saudi Arabia.

Soviet diplomacy involving the Gulf War is based on various political and military considerations as well as on growing concern about the effective Islamic propaganda emanating from Tehran.

The Soviet leadership and particularly the military cadres are said to be alarmed by the resurgence of Islam in the southern republics of the Soviet Union, to a great extent fueled by Iran. The rising demographic growth in the southern republics is such that within 10 to 15 years, a third of all Soviet army conscripts are expected to be Moslems.

This is a serious — even alarming — domestic factor for the Soviets to consider, as they fight a seven-year war of repression against the mujahideen guerrillas of Afghanistan, who are also supported by Iran.

Moscow has no easy formula and — according to word from various Soviet envoys — is wary of plunging head-on into the Middle Eastern morass. But the Soviets have established a set of foreign policy priorities in the area, including the revival of the old proposal for an international conference on the Middle East.

The conference has been opposed by the United States and Israel, and to some extent by Syria, which demanded recovery of the Golan Heights from Israel as a precondition — something Moscow could not deliver. Syria's attitude is still unclear. So far as Israel is concerned, there are signs it might be willing to consider such a meeting, or at least explore conditions for a meeting.

Western diplomats believe such a

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could be delayed. Nunn, however has been a particularly strong supporter of Stealth research.

The smaller the program, the more it is in jeopardy. A medium surface-to-air missile and a forward air defense system wanted by the Army will be reviewed critically, as well as the Air Force's \$7 billion Advanced Medium Range Anti-Aircraft Missile.

"The AMRAAM isn't out of the woodshed," said Rep. Les Aspin (D-Wis.), chairman of the House Armed Services Committee.

Nunn may see some of his largest savings in the Navy budget, some observers suggested.

By slowing the production of such big-ticket items as Aegis radar-equipped cruisers and destroyers, or a Trident ballistic missile submarine, Congress would see large immediate savings.

One of the sharpest debates to erupt around the Navy's budget will be over its desire to build another

nuclear-powered super aircraft carrier. The Navy has 15 deployable carriers and two others are near completion.

Navy Secretary John Lehman — increasingly pitted against Nunn — reportedly will ask for the first installment of \$3.4 billion in next year's budget for another carrier.

The request may put Nunn at odds with Sen. John Warner (R-Va.), the ranking minority member on the committee. Warner is a former secretary of the Navy, and the carriers are built by the Shipbuilding and Drydock Co. of Newport News, Va.

The Navy appears on safer grounds with its plans for a new generation of attack submarine — the SSN-21 "Seawolf."

In the advanced engineering stage of development, the Seawolf program would eventually cost \$36 billion to build 30 of the super-silent subs. The Navy says it needs the new system to maintain its technological superiority over the Soviet Union.

WASHINGTON POST 2 DEC 1986 Pg. 25

Report Suggests Israeli Role In Berlin Attack

Associated Press

HAMBURG, Dec. 1—A West German intelligence report indicates two Palestinians convicted of bombing a West Berlin club last March that injured nine people may have been double agents working for Israel, according to a report

conference, with the Soviets and United States as co-sponsors, will not occur. The Russians see it as propelling Moscow to the role of a potential arbiter in the Middle East.

The conference idea is backed by several Arab countries, including Jordan. The main reason is an effort to put the Middle Eastern problem on the international agenda again. For his part, Jordan's King Hussein feels no solution in the area is possible without active Soviet participation.

One thing is certain: In various statements to their Western colleagues, Soviet envoys no longer describe the Middle East as an insoluble problem, as was the case as recently as last spring.

There will be definite pressure in Moscow for a new and vigorous Middle Eastern policy. Although apparently still on the "drawing board," this new policy might be enhanced by the dwindling of the U.S.-backed process euphemistically called "the peace momentum."

published in Der Spiegel magazine yesterday.

Der Spiegel said West German diplomats in Jordan also found "indications" that a Palestinian convicted of trying to bomb an Israeli airliner last April in London with Syrian aid had "connections with a non-Arab intelligence service."

The secret intelligence findings cited by Der Spiegel followed by a month a reported comment by French Prime Minister Jacques Chirac to The Washington Times that he was told of a possible Israeli connection by West German officials.

Der Spiegel said West German and Middle East intelligence experts had "strong doubts" about a Syrian connection to the West Berlin bombing and questions about the Arab state's reputed role in the London attack plot.

It said the officials believed Ahmed Nawaf Hasi and Farouk Salameh, the two Palestinians convicted last week in West Berlin, "possibly" were Israeli agents because their target had close connections to Syria.

Hasi and Salameh said in pretrial statements read in court that they obtained the explosives for the attack from the Syrian Embassy in East Berlin.

Nunn could be right man at wrong time

By Jim Stewart

Journal-Constitution Washington Bureau

WASHINGTON — Sen. Sam Nunn (D-Ga.) is the right man cursed with the wrong time as he prepares to take over the chairmanship of the Senate Armed Services Committee, in the view of several defense analysts.

"When there was fat on the land, his would have been a fun job," said Dr. Gordon Adams, director of the Washington-based Center on Budget and Policy Priorities. "Now, he's the guy who has to make the cuts."

Driven by the federal deficit, defense budgets are expected to hover near or below the zero growth mark in coming years. That, coupled with Nunn's deep desire to give more attention to conventional warfare requirements, is causing anxious moments at the Pentagon and among defense contractors.

An "endangered species" list of weaponry is circulating, according to several Senate staff members.

As a sign of the times, the services also have acknowledged that self-sacrifice may be in order. "I am trying to wake up the Army to the fact that it is looking at budgets of zero [growth] or less than zero," Undersecretary of the Army James Ambrose told reporters.

Some major projects may have to be postponed, Ambrose suggested, including the Army's highly coveted new generation of attack helicopter, the LHX.

Another item at the top of nearly every list of potential victims is the president's Strategic Defense Initiative, also known as "Star Wars."

The administration's \$5.3 billion fiscal 1987 request for the space-based missile defensive system was trimmed to \$3.5 billion this year. The White House is expected to seek between \$5 billion and \$6 billion for SDI in next year's budget — a request that may be cut by more than half.

Altogether, Secretary of Defense Caspar Weinberger is expected to press for 3 percent real growth — above the amount necessary to keep pace with inflation — in the defense budget next year. The amount eventually requested — between \$308 billion and \$318 billion — will depend on what baseline the White House chooses.

The dilemma faced by the Pentagon stems from five straight years of record defense spending under the Reagan administration. The budgets gave birth to a variety of new weapons systems. Many of those systems now are in the production stage and virtually immune from outright cuts. Others, however, are still in their early infancy and subject to second thoughts.

"The trouble is that the services will resist making those choices. Even when they know the budgets will be thinner, they try to push through every program they can," Adams said. "Well, that dog won't hunt any more. The money isn't there to buy all the things they've stuffed into the pipeline."

"The fundamental problem facing Nunn is how to deal with what he sees as a compelling need for more conventional equipment at a

time the money has dried up," Adams said.

A review of the Pentagon's armory suggests several potential areas of compromise.

The LHX program, the biggest spending project in the Army's history at \$40 billion and 5,000 aircraft, may be delayed. Congress approved \$119 million in research-and-development funds this year, but the LHX design is being second-guessed in the Pentagon, and Capitol Hill is worried over mounting cost estimates.

A slowdown in funding rather than outright cancellation of LHX is more likely. "I wouldn't cast its death bell yet, but it is a much weaker program than many expected at this point. And 1987 will be a year of survival of the fittest," said one Senate staff member.

By comparison, two other flight programs appear safe. The Marine Corp's much prized tilt-rotor V-22 Osprey and the Air Force C-17 transport have many supporters. If the budget suffered massive cuts, production of the C-17 would be slowed, one analyst suggested.

So-called "black" areas of the budget — an estimated \$8 billion in research and development funds targeted for top secret weapons systems — also may feel the pinch.

The F-19 fighter and the Advanced Tactical Fighter programs, along with the Advanced Technology Bomber, the Stealth bomber, and Stealth-enhanced cruise missiles

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Reagan, staff meet to hone '88 budget

THE ASSOCIATED PRESS

President Reagan is holding a series of meetings on the 1988 federal budget, intent on holding to Gramm-Rudman deficit reduction targets while avoiding new taxes and preserving his defense buildup, his chief spokesman said yesterday.

Mr. Reagan called James Miller, director of the Office of Management and Budget, and other White House staff members yesterday afternoon to "the first budget review meeting of the budget season," Deputy Press Secretary Larry Speakes said.

In order to meet the \$108 billion deficit target for fiscal 1988 under the Gramm-Rudman budget-balancing law, Mr. Speakes said the administration must find about \$54 billion in savings. The fiscal year begins next Oct. 1.

At least one other meeting is to be scheduled this week, Mr. Speakes said. The budget will be submitted to Congress in late January or early February.

Mr. Speakes said the session would include an overview of the budget, the deficit situation and what the administration will "have to

do to meet the Gramm-Rudman figure that is proposed for this year."

"The president does intend to meet the Gramm-Rudman target and will be proposing a budget that does not include a tax increase and will include our projected levels of defense spending. But we will reach that target with cuts in other areas," Mr. Speakes said.

Two weeks ago, Mr. Miller said "judicious trimming of bloated programs" along with new user fees, sales of federal assets and loan portfolios, and some program eliminations would be proposed to meet the \$108 billion level.

In a speech to the National Electrical Manufacturers' Association, Mr. Miller said the White House intends to meet the target, despite recent talk by Democratic congressional leaders of easing it.

Mr. Speakes said the president's proposed budget may seek up to \$54

billion in spending cuts and other savings, and a "real," or inflation-adjusted, defense spending increase of 3 percent above the \$289.7 billion appropriated by Congress for this year.

OMB spokesman Edwin Dale Jr. has said this would translate to an actual increase of 6 percent once inflation was calculated into the formula, suggesting a defense spending request in the neighborhood of \$308 billion.

The deficit for the current fiscal year will be \$163 billion, Mr. Speakes said. That is down from the record \$221 billion deficit of the past fiscal year but far above the \$144 billion target for fiscal 1987 spelled out by the Gramm-Rudman act.

The Supreme Court last summer invalidated the part of the act that would have triggered automatic spending cuts when Congress failed to meet the targets.

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Shultz schedules European trip to rebuild faith in U.S. policies

By Richard Beeston
THE WASHINGTON TIMES

Secretary of State George Shultz will fly to Europe Monday to try to calm fears among NATO allies about damage to President Reagan's leadership caused by the Iranian arms deal crisis.

State Department spokesman Charles Redman said Mr. Shultz would be meeting leaders in the North Atlantic Treaty Organization and the European Community in Brussels and would "explain our policy to them."

The regular December NATO foreign ministers meeting is expected to be overshadowed by repercussions of the arms deal and Western European concern over U.S.-Soviet arms control negotiations.

Another issue will be the U.S. decision to exceed the arms limits of the unratified 1979 SALT II treaty, a move questioned by some of the European allies.

Mr. Shultz is expected to encounter some tough questions about the U.S. decision to sell arms to Iran at the same time he was urging the allies not to do so. But the secretary's statement last week that he would be staying on until the end of Mr. Reagan's term of office was welcomed among the allies as a sign of stability when things in Washington appeared to be falling apart.

Western diplomats are reporting back to their capitals that the Iran arms deal is no "Watergate," and that President Reagan will ride out the political storm.

Nevertheless, the current furor,

coinciding with the strategic arms treaty decision and the post Reykjavik climate of suspicion, has created an uncomfortable climate for the NATO meeting.

In past years the Reagan administration has been careful to consult with its NATO allies in times of decision. The allies, particularly West Germany and Britain, are still shaken by the way Mr. Reagan, without consulting the allies on this fundamental European security concern, entered into negotiations with Soviet leader Mikhail Gorbachev in Reykjavik, Iceland, to eliminate all ballistic missiles within 10 years.

The Europeans are hoping to hear from Mr. Shultz that the Reykjavik proposal has been put firmly on a back burner, and that in the future the allies will be consulted before Mr. Reagan again ventures into un-

explored areas of nuclear arms reductions.

On the issue of international terrorism, Mr. Shultz is likely to face some embarrassing questions about the United States supplying weapons to a nation it has officially labeled a terrorist state. However, Mr. Shultz has made it clear he opposed the administration decision.

Mr. Shultz first will fly to London for a meeting with the British foreign secretary, Sir Geoffrey Howe. In Brussels he will attend the NATO foreign ministers meeting on Dec. 11 and 12 and will also head the U.S. delegation at a meeting with leaders in the European Community.

Robert Hunter of the Center for Strategic Studies, a former senior staff member of the National Security Council, yesterday said the main concern of European leaders over the Iran arms deal was how it might weaken the presidency in dealing with the Soviet Union.

He said Mr. Gorbachev was having a propaganda "field day" over the U.S. breach of the SALT II agreement.

Iron

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Reagan's 'Third Country' Remark Found Baffling by Israeli Officials

By THOMAS L. FRIEDMAN

Special to The New York Times

JERUSALEM, Dec. 1 — Israeli officials said today that they were baffled by President Reagan's remark in a magazine interview suggesting that "another country" — apparently Israel — had overcharged Iran for weapons and then knowingly put the profits in bank accounts belonging to Nicaraguan rebel leaders.

Asked to comment on the President's remarks to Time magazine, Prime Minister Yitzhak Shamir's spokesman Avi Pazner said: "We do not know which is the other 'country' the President was referring to. But as regards Israel, I can only repeat our statement of last week that the money for the arms transferred to Iran was paid by an Iranian representative to a Swiss bank, in accordance with instructions of American representatives."

Mr. Pazner went on: "These funds did not pass through Israel and Israel had no knowledge that any of these funds might be going to the contras. We know where we stand on this one."

In his interview with Time, President

Reagan said about the arms transfers to Iran: "Another country was facilitating those sales of weapons systems. They then were overcharging and were apparently putting the money into bank accounts of the leaders of the contras. It wasn't us funneling money to them. This was another country."

President Reagan's remarks went considerably farther than those Tuesday by Attorney General Edwin Meese 3d, who, when discussing the money transactions, spoke only about Israelis — not necessarily Israeli officials — being involved with establishing the Swiss bank accounts, from which the Nicaraguan rebels, known as contras, were later able to withdraw funds. Mr. Meese's remarks seemed to allow for the possibility that the Israeli Government, as opposed to private arms dealers, was not involved, while the President spoke of "another country."

Speaking not for attribution, another senior Israeli official expressed complete bafflement at the President's remarks — assuming that he was referring to Israel — particularly since it followed an Israeli Government denial

of involvement that was cleared beforehand with Attorney General Edwin Meese 3d and Secretary of State George P. Shultz.

"Why did Reagan have to say that?" said one Israeli official. "We do not want to be contradicting the President of the United States. He is a friend. But if he was talking about Israel, and I assume he was, it is just not true."

Reagan Remark Assailed

Rabbi Alexander M. Schindler, president of the Union of American Hebrew Congregations, said yesterday that he was shocked and dismayed that President Reagan would suggest that Israel was responsible for diverting arms-sale profits to the Nicaraguan rebels.

"In a welter of rumor and fantasy surrounding the Iranian affair, one fact is clear," Rabbi Schindler said in a statement issued in New York. "Israel acted on the behest, with the knowledge and with the consent of the Reagan Administration in its dealings with Iran. It did so as a friend and ally of our country. To place blame on Israel for acting at the request of the White House in this affair is an act of ingratitude that, in Shakespeare's words, is 'the most unkindest cut of all.'"

"It is not Jerusalem but Washington that has an obsession with overturning the Sandinista regime in Nicaragua," Rabbi Schindler said. "One can only express a sense of shock and dismay, therefore, at President Reagan's statement."

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Slightly off course

Navy Secretary John Lehman told Yale University students yesterday that a Soviet destroyer and American destroyer had collided in the Pacific Ocean, but a spokesman traveling with him said he had been misinformed.

Mr. Lehman told students gathered for his lecture, "American Sea Power Today," that collisions between Soviet and American vessels occur because the two fleets work in close proximity. "Wherever we are, there too are the Soviets. We just had a collision overnight. A Soviet [destroyer] rammed one of our destroyers in the middle of an exercise," Mr. Lehman said during his lecture.

Expanding on the announcement for reporters, he added that a Russian helicopter and an American helicopter had also collided during the exercise. Later it was explained that the error was the fault of an aide who misinterpreted a message on the exercise.

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adults, America is registering record disapproval of Reagan's foreign policy. CBS's Dan Rather says 75 percent are against selling weapons to Iran to free American hostages, while 58 percent are against aiding the Nicaraguan Contra's fight to oust the Sandinista government.

(For verbatim texts, see Radio-TV Defense Dialog)

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committees to investigate the episode and avoid duplicity.

"If we start eight, 10, 12 hearings in the House and Senate, you're going to need roller skates, if you're a witness, just to get from one [hearing] to the next," Mr. Dole said.

House Majority Leader Jim

Wright of Texas said in a written statement: "I do not believe that a hurried special session of Congress would be either necessary or beneficial. It could contribute needlessly to an atmosphere of crisis."

Damon Thompson contributed to this story.

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current controversy and is not simply a move in response to the scandal. "(Weinberger is) not going on a mission to explain our policy," the aide said. "(But) he will be prepared to talk about it if the allies want him to." (UPI)

SUPREME COURT/MILITARY: The Supreme Court agreed yesterday to use the case of a discharged Marine captain to decide whether federal courts should have broader authority over disputes involving military personnel. The case arose when John Van Drasek was denied promotion from captain to major in 1983, which under the rules of military service subjected him to an automatic discharge. Van Drasek argued the action was in retaliation for speaking out against unequal treatment of pregnant Marines and for his votes to retain one Marine with a drug abuse problem while giving another an honorable discharge. Sec/Navy John Lehman upheld the discharge after Van Drasek appealed. The Supreme Court, in agreeing to rule on the case next year, could make it easier for those in the armed services to challenge actions by superior officers. (AP, UPI)

DOD/IRAN ARMS DOCUMENTS: DOD General Counsel H. Lawrence Garrett has ordered an internal search for any Pentagon documentation relating to the Iran-Contra affair. In a 28 November memo obtained by UPI and AP, Garrett directed all Undersec/Def's, Asst Sec/Def's, and general counsels of all military departments and agencies to hunt for documents about Iran arms shipments, hostage negotiations and Contra aid. The order also calls for Pentagon leaders to search for any records about the activities of seven men identified as having a role in the scandal: former National Security advisers Robert McFarlane and VADM John Poindexter, Don Fortier, a former deputy to Poindexter who died last summer, Marine LTC Oliver North, NSC General Counsel COM Paul B. Thompson, retired Air Force MGEN Richard Secord, and Contra leader Adolfo Calero. Garrett's memo stressed that a careful tracking record be kept of the "chain of custody" of any document. (AP, UPI)

US/N. KOREA: N. Korea's official news agency reported yesterday that an American SR-71 reconnaissance plane twice intruded into its airspace, and that there were nine such violations in November. The agency, monitored in

RADIO-TV NEWS HIGHLIGHTS

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IRAN ARMS/ISRAEL: ABC's Pierre Salinger reports the "dominant motivation" in the Reagan administration arms deal with Iran last year was to free American hostages held in Lebanon. The initiative reportedly began in early 1985, when the US asked Israeli PM Shimon Peres to help in an attempt to win the release of the hostages. Salinger says Peres contacted arms dealer Nimrodi, Israel's military attache in Iran from 1959 to 1969, to take the assignment. Nimrodi reportedly worked through an Iranian named Ghorbanifar to set up an arms-for-hostages deal. Salinger says Nimrodi exacted an agreement from Iranian PM Moussavi that an "important hostage" would be freed when 600 TOW anti-tank missiles were delivered. The missiles reportedly arrived in Iran on 14 September 1985, the same day that Presbyterian Rev. Benjamin Weir was freed in Lebanon. Nimrodi had suggested to Ghorbanifar that CIA station chief William Buckley be the first hostage released, but it was reported Buckley had been killed before the deal was offered.

ARMS SCANDAL POLL: A CBS News/New York Times poll conducted Sunday indicates Pres Reagan's job performance rating among Americans dropped 21 points last month to its lowest level in three years. According to the poll of 687

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Tokyo, is quoted as saying America's "successive aerial espionage...clearly shows that their new war provocation moves to invade the northern half of Korea have entered a very dangerous stage." (AP)

AFGHAN PLANE SHOT DOWN: Moslem insurgents shot down a Soviet-built Afghan transport plane with a portable anti-aircraft missile on Saturday, guerrilla sources said, but added they could not describe the weapon more specifically. The Ilyushin-18 transport was reportedly carrying Afghan and Soviet military personnel to the eastern city of Jalalabad. Guerrillas quoted Afghanist reports that at least 25 soldiers were killed in the crash. There have been frequent reports from Afghanistan that guerrillas recently received sophisticated US-made Stinger anti-aircraft missiles and have begun to shoot down Soviet and Afghan aircraft. (AP)

(Complete texts on file in SAF/AAR)

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

Approach Seen Prompted by Tehran Power Struggle

By Glenn Frankel

Washington Post Foreign Service

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 Is-

rael'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 Yaacov Nimrodi, whom the Iranians first approached, and David Kimche, then top civil servant in the Israeli Foreign Ministry, to Amiram Nir, the counterterrorism adviser to Shimon Peres, who was prime minister then. Some are blaming Nir for 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 net-

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work. 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, who as deputy head of the Mossad spy agency before he entered the Foreign Ministry was, like Nimrodi, another old Iranian hand. Kimche approached Peres, who in turn approached the White House.

The Iranians wanted a resumption of American arms sales, sources said. The White House refused, 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 aircraft including 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.

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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.

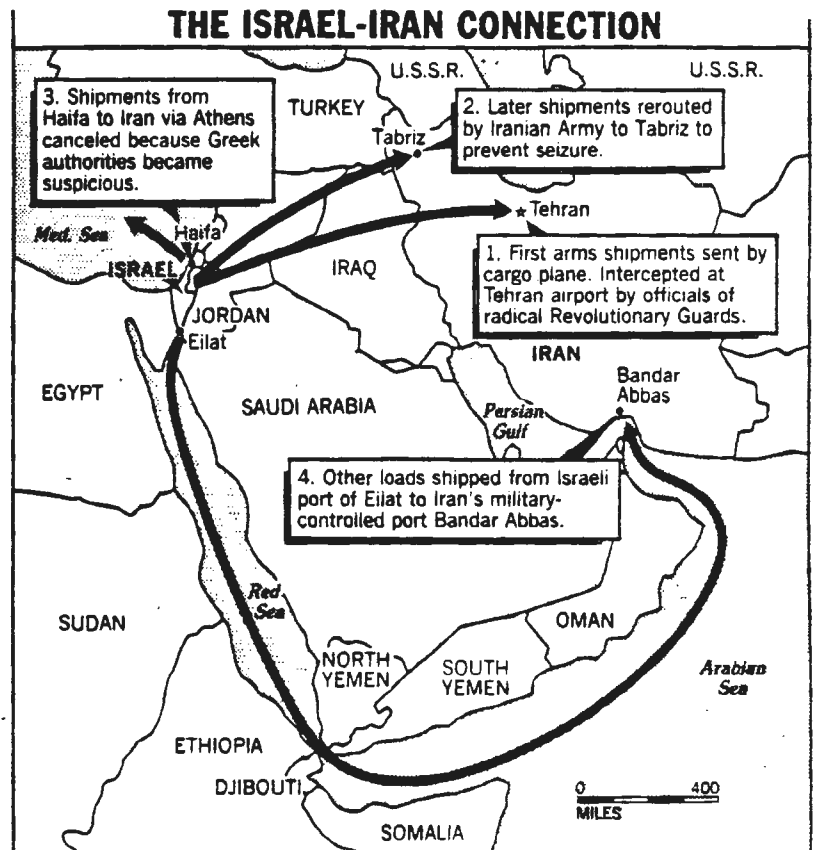
Late last year, the sources said, the secret shipments were almost exposed when a Greek customs officer noticed the discrepancy between the lading bill and a crate he inspected. U.S. intelligence officials quickly intervened and prevented the matter from being made public, according to the sources.

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.



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Policy on Iran Faces 'Rebuilding'

As French President Learned, Concessionary Tactics Can Backfire

By David B. Ottaway
Washington Post Staff Writer

Early this year, French President Francois Mitterrand made several concessions to Tehran in hopes of gaining the release before the March parliamentary elections of four French hostages being held by pro-Iranian extremists. By the time the French voters went to the polls to defeat Mitterrand's Socialist Party, one French hostage was killed and four more French citizens were taken hostage.

For months afterward in its campaign to get Western Europe to take a tough stand on terrorism, the Reagan administration pointed to the French as an example of how not to act. "We used to say the French wrote the textbook on how not to do it," said one administration antiterrorism expert. "The Iranians took them for a ride."

But after the disclosures of similar U.S. dealings with Iran, U.S. antiterrorist and Mideast specialists are struggling to assess what all agree is enormous damage to three of the Reagan administration's main policies: its tough antiterrorism stance; its "Operation Staunch," aimed at persuading other nations to end arms shipments to Tehran; and its professed neutrality in the Iran-Iraq war.

"We are going to have to go back and start all over again rebuilding these policies," one administration official said.

President Reagan, following the release of 39 TWA passengers held hostage in Beirut in June 1985, put terrorists on notice that the United States gives "no rewards and no guarantees" and "we make no concessions." With Secretary of State George P. Shultz taking the lead, the United States urged its allies in private and public to give no quarter to terrorists.

That stand, pressed in all West European capitals, particularly ranted the French, who have long thought they had no need for lessons from Washington on dealing with terrorism. France, in its overtures to Iran, opened negotiations on a billion-dollar debt, expelled a main leader of opposition to the Iranian regime and made several other moves to appease Iran.

The Reagan administration bartered with arms, and it now appears that U.S. officials, too, may have been taken "for a ride."

While Tehran apparently used its influence in Lebanon to help gain the release over the last 18 months of three American hostages held by the pro-Iranian Islamic Jihad, it also did nothing to prevent the same faction, or its allies, from taking three more Americans captive this fall.

"We are assuming that the group that got [Joseph James] Cicippio and [Frank] Reed is indeed just part of the same group," said one U.S. official, referring to Islamic Jihad. The Jihad is thought to also hold two other Americans, Terry A. Anderson and Thomas Sutherland.

"It means they want to keep a full deck," the official said. "This could go on forever."

In the past few days, Shultz has publicly, and strongly, disagreed with the White House decision to send arms to Tehran because, as he said in Chicago Monday, "All you do is encourage the taking of more hostages and put more Americans at risk."

Shultz also said over the weekend that he thought it was "reasonably clear" that Shiite factions in Lebanon holding the three new hostages are associated with Iran.

In the murky world of Lebanese hostage-taking, as one antiterrorism expert outside the U.S. government remarked, it has become clear

since mid-1985 that "Syria controls the territory and Iran the groups."

Reed and Cicippio were kidnaped in Beirut Sept. 9 and 12, respectively, while a third American, Edward A. Tracy, was seized Oct. 21. Two groups asserted responsibility for the seizures, the Revolutionary Justice Organization and the Arab Revolutionary Cells. The first is closely linked to Islamic Jihad and Iran, while the second may have only indirect ties, according to U.S. antiterrorism experts.

The link between Islamic Jihad and the Revolutionary Justice Organization was apparent during France's dealings with the two groups. One French hostage, diplomat Marcel Carton, was seized in March 1985 by Islamic Jihad, which authenticated its claim by producing a photograph of him.

Over the past two days, the Revolutionary Justice Organization has been sending word to Beirut newspapers that Carton is about to be freed. This followed an agreement between Paris and Tehran for payment of \$330 million to the Iranians toward an old French debt.

The identity of those behind the Arab Revolutionary Cells is less clear. Initial indications were that the supporters might be pro-Libyan. But U.S. antiterrorism experts say that this group, like the Revolutionary Justice Organization, has never made its goals known, and tend to believe that the two are in league.

The general assumption, the experts said, is that both groups have friends and allies in one faction or another of the badly fragmented Iranian government.

In a sermon Nov. 7, Iran's Parliament speaker, Ali Akbar Hashemi Rafsanjani, gave his blessing to the Lebanese Shiite practice of taking

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CIA Curried Favor With Khomeini, Exiles

Sources Say Agency Gave Regime List of KGB Agents

By Bob Woodward
Washington Post Staff Writer

The Reagan administration's secret overtures and arms shipments to Iran are part of a seven-year-long pattern of covert Central Intelligence Agency operations—some dating back to the Carter administration—that were designed both to curry favor with the regime of Ayatollah Ruhollah Khomeini and support Iranian exiles who seek to overthrow it, according to informed sources.

In 1983, for example, the CIA participated in a secret operation to provide a list of Soviet KGB agents and collaborators operating in Iran to the Khomeini regime, which then executed up to 200 suspects and closed down the communist Tudeh party in Iran, actions that dealt a major blow to KGB operations and Soviet influence there, the sources said. Khomeini also expelled 18 Soviet diplomats, imprisoned the Tudeh party leaders and publicly thanked God for "the miracle" leading to the arrests of the "treasonous leaders."

At the same time, secret presidential intelligence orders, called "findings," authorized the CIA to support Iranian exiles opposed to the Khomeini regime, the sources said. These included providing nearly \$6 million to the main Iranian exile movement, financing an anti-Khomeini exile group radio station in Egypt and supplying a miniaturized television transmitter for an 11-minute clandestine broadcast to Iran two months ago by Reza Pahlavi, the son of the late Shah Mohammad Reza Pahlavi, who vowed, "I will return."

One well-placed intelligence source said that this support of the anti-Khomeini exile movement is "just one level above [intelligence] collection," and that the money involved was equivalent to the "walking-around money" frequently distributed in American political campaigns. Administration officials stressed that the CIA operations are not intended to bring about Khomeini's downfall but are aimed primarily at obtaining intelligence about his regime through the exile groups.

The White House and administration spokesmen declined to comment on these

CIA operations. Vice Adm. John M. Poin-
dexter, the president's national security affairs adviser, told a television interviewer Sunday that "I don't want to confirm or deny any other operations" and added that "we aren't seeking the overthrow of the Khomeini regime."

Press and broadcast reports from Iran have repeatedly accused the U.S. government of backing anti-Khomeini exile activities. Informed sources said that the Khomeini regime knows many of the details of the CIA operations because it has agents inside the Iranian exile groups.

Some of the Iranian exiles in Paris said it is well-known within their groups that they have received CIA money. Sources also said that some of the CIA money was used to speculate in currency markets in Switzerland.

Administration sources said that all CIA programs concerning Iran have been designed with several objectives: to build bridges to potential Iranian leaders, to use the exiles for information about what is happening in Iran, to develop independent intelligence sources, to win friends, to diminish Soviet influence and to keep pressure on the Khomeini regime by demonstrating that the exile and dissident opposition is active.

Iran is strategically vital because of its oil supplies, warm-water ports on the Persian Gulf and proximity to the Soviet Union. Iran's political turbulence and the possibility that one of the exile groups could some day assume power justifies a U.S. strategy that proceeds on several tracks, according to several administration officials, and that view is shared by some former U.S. intelligence officers.

"I have no knowledge that the Reagan administration is giving money to the Iranian exile groups, but I see no reason not to give them money and at the same time extend a hand to Khomeini," Stansfield Turner, CIA director in the Carter administration, said Monday. "Playing both sides of the fence is not unusual, as long as they did not fund any exile group to the extent that they would try to overthrow the [Khomeini] government. There is not a prayer that they could do that."

But one well-placed administration source said the CIA operations involving Iran were ad hoc and inconsistent, rather than being the result of a coherent U.S. strategy. "The U.S. does not have a policy but a series of actions," said the source, who described the administration as "groping a maze" on the Iran issue.

Despite the CIA efforts to curry favor with the Khomeini regime, Iran continued to encourage violence against American interests, sources noted. For example, intelligence shows that Iran directly supported the October 1983 bombing of the Marine Corps barracks in Beirut in which 241 U.S. servicemen were killed. This was less than a year after the CIA received a list of KGB agents in Iran from a Soviet defector and gave the names to the Khomeini regime. Sources said that the British intelligence service also participated in the operation that revealed the Soviet agents in Iran.

Administration officials said that more recent overtures made under President Reagan to "moderates" in Tehran have stopped Iranian government sponsorship of terrorist actions against Americans.

In January 1981, when President Reagan took office and 52 Americans returned after 444 days' captivity in Tehran, the CIA had already begun under President Carter a number of anti-Khomeini operations. One was designed to gather intelligence about Iran and support Iranian exiles, sources said; another was a more ambitious plan that one senior source said was designed to inflict "punishment" on the Khomeini regime, which was holding the U.S. hostages.

Under Reagan and his CIA director, William J. Casey, the first major Iranian operation was intended to support an exile group headed by the shah's former naval commander-in-chief, Rear Adm. Ahmad Madani. The Madani group received several million dollars, but proved too independent by insisting on control of their own anti-Khomeini operations, and the CIA connections were soon dissolved.

In 1982, the CIA began supporting the main Iranian exile movement, the Paris-based Front for the Liberation of Iran (FLI). Headed by former prime minister Ali Amini, the FLI advocates Khomeini's ouster and since 1983 has called for restoration of the Iranian monarchy.

The CIA has given the FLI \$100,000 a month. But beginning about two years ago, two members of the National Security Council staff, Lt. Col. Oliver North Jr. and Vincent M. Canistraro, became involved in supervising the CIA operation after hearing

CONTINUED NEXT PAGE

WASHINGTON TIMES 19 NOVEMBER 1986

Another lesson in terror

The mills of the gods sometimes grind more quickly than we think. The recent terrorist murder of Renault's Georges Besse is the grist from French Premier Jacques Chirac's recent hanky-panky with Syria. After weeks of placating Syrian President Hafez Assad, dragging his feet on Syrian sanctions, and trashing the U.S. and Israel, Mr. Chirac managed to extricate two hostages. Since the apparent success coincided with Ronald Reagan's embarrassment over Iran, the French prime minister did not hesitate to pat himself on the head and offer advice on how to deal with terrorism.

Some people may have been taken in, but not the terrorists, and Mr. Besse has had to pay the price. So far as is known, Direct Action, the terrorist gang that seems to have killed him, is not under Syrian guidance, but it nevertheless is a member in good standing of the international terror network, to which Mr. Assad is godfather. It has carried out more than its share of bombings and mur-

ders on French soil and has a working alliance with the Baader-Meinhof gang in West Germany.

So once more illusion is punctured at the cost of human life. Terrorists, like the totalitarians who spawn and support them, not only are not nice people; they also are not the kind of people with whom it is possible to do business. Morality to one side, negotiating with them simply doesn't work. They don't regard themselves as bound by agreements with governments they are sworn to destroy. Lenin, who indulged in no small amount of terrorism himself (even before he seized power), said as much in his remark about agreements, like pie crusts, being made to be broken.

Whether these homely truths have occurred to Mr. Chirac is not known, but they are hardly lessons for him alone. As the Iranian affair suggests, some in our own government long since should have done their homework on the subject.

POLICY...CONTINUED

hostages. Addressing the United States, Rafsanjani said:

"They [Lebanese Shiites] go and take your people, they keep them and they say you should give back their prisoners," a reference to 17 convicted Shiite terrorists imprisoned in Kuwait.

"Do not call this an act of terrorism. This action by the Lebanese people which you call terrorism, we call justice," he said.

He said Tehran would not use its influence to gain the release of the American hostages unless Washington used its influence to get the 17 Shiites freed.

Rafsanjani is among Iranian leaders who administration officials have identified as possibly belonging to a "moderate" faction open to dialogue and secret dealings on the hostages.

The administration has begun trying to repair the damage of the

recent disclosures. Last weekend, an order went out to U.S. embassies in the Middle East and elsewhere to contact local governments and explain the administration's rationale for its actions toward Iran.

The gist of message, according to a State Department spokesman, was that U.S. policies on terrorism and an embargo on arms to Iran continue unchanged as before. The disclosures, he said, "make everything sound very weak, but we are trying to make it clear we do have a policy."

However, a senior administration official, reflecting a view widely shared among demoralized State Department officials, said, "Everything depends on getting a policy."

"We've got to find where the policy is going," he said. "But it's going to be hard as hell to go back to the old policy."

CIA...CONTINUED

allegations that the FLI was mismanaged and ineffective.

The allegations included charges that some FLI members were providing useless and questionable information to the CIA and that CIA funds were being used to speculate in currency markets in Switzerland. Consequently, the FLI member functioning as liaison with the CIA was ousted in 1985. His successor, however, was discovered to be a former communist who advocated hostage-taking and who was a suspected Khomeini informer, according to U.S. and Iranian sources.

That liaison was removed earlier this year, and the CIA appointed one of the shah's former cabinet officers as the new overseer of the FLI money, the sources said.

Neither the CIA nor the White House ever seriously believed that exile groups were strong enough to overthrow Khomeini, sources said, and none of the current operations includes paramilitary support.

As part of the FLI support, the CIA also provides equipment and \$20,000 to \$30,000 a month for the organization's Radio Nejat, or Radio Liberation, which broadcasts anti-Khomeini programs for four hours a day from Egypt to Iran, according to U.S. and Iranian sources.

As the links to the exile groups were being built, the CIA received an unexpected windfall of intelligence information in Iran through the defection of Vladimir Kuzichkin, a senior KGB officer in Tehran whose job it had been to maintain contacts with the Tudeh party. Kuzichkin defected to the British in late 1982 and was debriefed later the CIA, giving the United States details of Soviet and Tudeh operations in Iran.

The CIA then provided Khomeini with lists and supporting details of at least 100 and perhaps as many as 200 Soviet agents in Iran, sources said. After arresting and executing most of the alleged agents, Khomeini outlawed the Tudeh party on May 4, 1983, and expelled the 18 Soviet diplomats believed to be involved in KGB operations.

Many Tudeh members were arrested, including the party's secretary general and six central committee members, and they were forced to make televised confessions that they spied for Moscow.

One well-placed source said the CIA action was intended to cripple KGB operations in Iran while offering "a gesture of good will" to Khomeini.

There were reports at the time of an upheaval in the Tudeh party, but it was not known that the CIA had a role. The role of Kuzichkin also passed largely unnoticed except for a 1985 column by Jack Anderson and Dale Van Atta reporting that the defector had brought with him two trunks full of documents about the KGB and the Iranian communist party. The column reported that the British "secretly turned the information over to Khomeini."

A CIA memo of May 17, 1985, saying that the United States was lagging behind the Soviets in cultivating Iranian contacts for a post-Khomeini era, was apparently one of the first actions that led to President Reagan's decision to begin secret overtures to the Iranians and eventually to ship them arms this year.

A recent CIA-supported operation was the sudden appearance on Iranian television two months ago of Reza Pahlavi, son of the late shah. That clandestine anti-Khomeini broadcast was made possible by the CIA, which provided technical assistance and a miniaturized suitcase transmitter, the sources said. The broadcast disrupted two channels of Iranian television for 11 minutes at 9 p.m. on Sept. 5. It is not known whether the shah's son knew that the CIA had provided support for the broadcast.

The Khomeini regime apparently was aware of or suspected a U.S. role in the clandestine appearance and responded with a radio broadcast of its own, declaring that "the terrorist government of Reagan . . . in a disgraceful manner was the vanguard of this puppet show."

Staff researchers Barbara Feinman and Ferman Patterson contributed to this report.

Congress Primed To Probe Iran Deals

By DAVID LIGHTMAN
Washington Bureau Chief

WASHINGTON — Congressional intelligence committees are primed to hold tough, detailed hearings Friday on the legality and wisdom of the Reagan administration's dealings with Iran.

White House spokesman Larry Speakes said Monday "we'll be as cooperative as we possibly can," but members of Congress and Capitol Hill observers said the administra-

tion appears to be in for a rough time.

The House and Senate intelligence committees plan closed-door sessions Friday. CIA Director William J. Casey is scheduled to testify and national security adviser John M. Poindexter will talk informally with members of the committees.

"I imagine the questions will run the full gamut of issues," said David Holliday, spokesman for the Senate panel. Whatever action the committee takes later will depend on what

testimony it hears.

Poindexter has explained he is not likely to testify, because, he said in a recent interview, "the president's national security adviser, as well as the rest of his immediate staff, is not in the habit of testifying," generally for security reasons.

The hearings come as the White House continues to face political trouble over arms shipments to Iran and their possible link to the release of three Americans held captive in Lebanon.

CONTINUED BELOW

The administration continued to maintain Monday that the contacts with Iran, begun last year, were undertaken secretly because of their sensitive nature.

Speakes also reiterated on Monday the view, expressed by Reagan Thursday in a nationally televised address, that the chief purpose of the initiative was to establish contact with moderate elements in the strategically crucial nation.

Nevertheless, congressional analysts and experts thought Casey and others are in for tough grilling on Capitol Hill.

Gordon S. Jones, vice president of government and academic relations at Washington's Heritage Foundation, said the administration had violated "the law of common sense" in its dealings with Congress.

"At least the president should have told [the] leadership in Congress," said Ezat Parnia, an Iranian native who teaches courses in Third World politics at the University of Hartford. "You trust the moderate elements in Iran. Why not trust congressional leaders in the United States?"

The problems center on two aspects of the controversy: the legality of not informing Congress of the contacts in a timely fashion and

whether the policy toward Iran is a correct and prudent one.

The legal question arises because in circumstances where a president does not give congressional intelligence committees advance notice of a covert operation, a 1980 law provides that he shall inform them in a timely fashion and explain why prior notice was not given.

Speakes said Monday that Reagan signed an "intelligence finding" Jan. 17 that not only permitted the arms sales to Iran, but laid out justification for doing so.

Members of Congress were not briefed about the operation until last week, however, and reports said Casey was ordered in writing not to tell Congress of the operation because of "security risks."

Many contend Congress was briefed only because the Iran operation was disclosed by a pro-Syrian magazine in Lebanon and then publicized in the U.S. press.

Holliday asserted that the intelligence committees still have not been briefed in accordance with the law, even though the president has met with congressional leaders and briefed some intelligence committee members.

"I don't think there's been adequate communication with Congress

at all," said Rep. John G. Rowland, R-Conn.

Poindexter has argued that the secrecy was justified.

"In this particular case, the Constitution and the applicable laws clearly provide for the possibility of the president, under special situations like this, to inform Congress after the fact," he said.

But analysts and lawmakers said Monday that Congress is not likely to consider an 11-month lag "timely."

"By any reasonable measurement, reporting to Congress after

the information has been spilled to the media is not timely reporting," said Steven Smith, senior fellow at Washington's Brookings Institution.

When Congress returns, some expect a push to clarify the laws regarding covert operations and the role of the national security adviser.

"What Congress will be doing is trying to plug that security loophole," said Rep. Nancy L. Johnson, R-Conn. "Right now, the CIA has to report to the intelligence committees, and that assures a check and balance.

"But eliminate that, and you create the possibility of a few people skewing foreign policy, and that's what happened here."

CONTINUED NEXT PAGE

The Iranian Connection (Cont'd.)

Charles Krauthammer

Somebody Should Resign

A few weeks after British Foreign Secretary Lord Carrington resigned over the Argentine takeover of the Falklands, a Reagan aide passed around a piece of paper at a senior staff meeting. Referring to Carrington, whom Alexander Haig, at a private staff meeting, had once called a "duplicitous bastard," the note read: "Duplicitous Bastard Resigns on Principle: A Model."

In America, we cannot get even our sweetest bumbler to resign. We have no model, no tradition of principled resignation. Now, because of the Iranian affair, there is talk of leave-taking. But, as usual, we just cannot get it right. The wrong man is thinking of resigning.

The wrong man is Secretary of State George Shultz. Spear-carrier for the administration's anti-terrorist policy, Shultz is embarrassed. He has beaten up on the Europeans for making separate peace with terrorist states. He has assured the Arab League that the United States was not supporting Iran in its war with Iraq. All the while, the National Security Council has been engaged with Iran in an arms-for-hostages exchange.

The right man for resigning is NSC chief John Poindexter. Poindexter now admits that he made "a miscalculation" on whom he could trust in Iran. (The mullahs have a way of driving Americans to understatement. President Carter called the Desert One fiasco an "incomplete success.") If someone does resign, it shouldn't be the man who pushed the right policy, but the man who pushed the wrong one.

How wrong? Let me count the ways. Even if you cave in and decide to buy hostages, how can you possibly consent to buy them retail, one at a time? When the Israelis made the worst hostage trade in history, 1,150 terrorists for 3 soldiers, at least they got all three of their boys.

The administration cover story is that the real policy was not buying hostages, but buying friends. The United States was not paying ransom. It was pursuing a larger strategic objective: making alliances with Iranian doves as an opening to a post-Khomeini future. Goodness. Has there ever been an appeasement policy that was not predicated on the notion of hawks and doves among our enemies? We must offer wheat and credits and perhaps pieces of Africa or Central America in

order to strengthen Soviet—or Sandinista or Angolan, fill in the blanks—doves. Heard that one? Whenever conservatives hear it, their instinctive, and correct, response is ridicule.

Now we hear that there is a power struggle taking place among Ayatollah Khomeini's successors, and we have to help the doves. There is a problem with this theory. True, there are several factions vying for power. But there is not a shred of evidence that any one is any less Islamic-fanatic or anti-Western than the other. Nor, even if such a faction exists, that we know which one it is. Nor, even if we know, that we know how to help it. One would imagine that in Khomeini-land, a connection to the Great Satan is hardly a means to political advancement.

The president has been flying a seat-of-the-pants foreign policy for some time now. (Reykjavik comes to mind.) It has now crash-landed. Reagan likes to pilot listening to his gut, not watching his radar. His gut—sympathy for hostage families—told him to risk for the hostages. He did. He risked America's antiterrorist policy. He risked American credibility with the Gulf states and Arab moderates. He risked his own principle, enunciated during his first week in office, that criminals, even if state-sponsored, will not dictate American foreign policy. He risked and he lost.

Reagan's legendary luck ran out. Where were his advisers in the White House whose job it is to tell him that he can't live on luck alone? Whose job it is to watch the radar? Miscalculation is not a hanging offense, but it is a resigning one.

An antiterrorism policy is extraordinarily difficult to sustain because, like any policy of *not* doing (no negotiation, no concessions), it is inherently fragile: one significant slip and the policy evaporates. Right now, the U.S. policy is about to evaporate.

It cannot easily be salvaged. But a principled resignation is the first step on the road back. It would demonstrate that the policy of trading arms, and the American national interest, for hostages is repudiated. That policy, not the choice of loose-lipped Iranians as partners, is the miscalculation. Carrington miscalculated Argentine intentions and resigned. Will the American miscalculator please stand up and step down?

NEW YORK TIMES 11 NOVEMBER 1986

No French Arms Sales to Syria

To the Editor:

Recent press articles about France — including several published by you — impel me to remind your readers of a number of facts concerning France's position on terrorism.

On Oct. 30, you declared in an editorial ("Smiting Syria With a Sponge") that France "tries to buy favored treatment by ignoring Britain's appeals, and — incredibly — was recently weighing a lucrative arms deal with Syria." On Oct. 24, you reported that "France was negotiating with Syria to provide a loan of up to \$1 billion to alleviate the country's economic crisis and to facilitate the purchase of French weapons." The article went on to assert falsely that France had proposed to send three economic experts to Damascus earlier in the week and that the Syrian Government had not responded positively to the offer.

The following statement by the French Minister of Foreign Affairs, Jean-Bernard Raimond, made Oct. 29 before the National Assembly, reveals a very different reality: "The requests for authorization [to sell arms to Syria] that have been submitted for approval during recent months have been refused. In the past, in 1982 and 1984 in particular, large contracts were signed for sensitive materials such as armed helicopters and large quantities of missiles. The deliveries still to be made under these contracts have been frozen."

This statement followed other denials, including President François Mitterrand's assertion Oct. 28 that "there is no question of France selling arms" to Syria. A similar denial was issued by the Prime Minister's office. How could these statements that there are no arms sales to Syria have been interpreted to mean the exact opposite?

As for reports that Georges Abdallah, who is imprisoned in Paris, can expect lenient treatment when he stands trial, may I simply remind you

that in France, as in the United States, the judicial branch is strictly independent of the executive branch. Any attempt to coerce or influence a jury would violate the fundamental principles upon which the democratic institutions common to both France and the United States are based.

In a television interview Oct. 26, the Minister of Foreign Affairs had this to say on the subject: "France concluded no bargain and no arrangement in regard to the Georges Ibrahim Abdallah affair in order to put a halt to the wave of terrorism in France." In addition, Interior Minister Charles Pasqua was quoted Nov. 3 as saying: "There is no question of negotiating his [Abdallah's] release. He will be judged, in conformance with our laws, by a court of law. The rest is mere literary invention, worthy of writers of spy novels."

Equally surprising is the assertion (front page, Oct. 30) that "France was among several European nations that rejected a request by Britain at a meeting of foreign ministers on Monday for collective punitive measures against Syria." This is indeed a curious conclusion, since Mr. Raimond himself told the National Assembly on Oct. 29 that France had accepted 9 of the 11 proposals made by the British Foreign Minister, Sir Geoffrey Howe. He also pointed out on this subject that "Mr. Bosson" — the French minister who represented the Government at the meeting — "was the first to agree to a ban on arms sales [to Syria]."

Given the number and clarity of the declarations made by French officials on these issues, it is incomprehensible that they have been so widely misconstrued by the press. I hope this letter will be the beginning of a more accurate portrayal of French policy in this area.

PHILIPPE FAURE
Director, French Embassy
Press and Information Service
Washington, Nov. 4, 1986

NEAR EAST REPORT

WASHINGTON WEEKLY ON AMERICAN POLICY IN THE MIDDLE EAST VOL. XXX, NO. 45 NOVEMBER 17, 1986

EDITORIAL

Iranian Mirage

Reports of American arms-for-hostage deals with Iran indicate that the United States has declared a unilateral ceasefire in the war against terrorism.

Arguments for such deals apparently included: Strengthening Iranian "moderates" in their apparent struggle with "radical" fundamentalists over the succession to the 86-year-old Khomeini. Keeping communications open to the Iranian military, which could emerge from the *mullahs'* shadow when leadership changes. Helping free the hostages—the release of Revs. Benjamin Weir and Lawrence Jenco, of David Jacobsen early this month and maybe the TWA hostages in 1985 apparently were part of these transactions.

But such arguments mistake tactics for strategy, expediency for policy. This National Security Council gambit, initially opposed by the Secretaries of State and Defense, mocks American lectures to France, West Germany, Greece and other allies who waffle when confronted by Middle Eastern terrorism. It cancels the instructive example of the Libyan bombing on extremists and leaves Margaret Thatcher isolated and looking ridiculous because of her own tough anti-terrorist stance and her cooperation with us. And it must echo ominously in every pro-Western capital in the Middle East, forcing rulers who look to Washington to reconsider both American resolve and understanding of the region.

The scheme fails in translation. The Iranian party labeled "moderate" is really a collection of pragmatists, the way Syrian-dictator Hafez Assad is a pragmatist. When it is in their interest to kill Americans, they will. When it is in their interest to make a deal, they will. But they will not stay bought. If we think so we have forgotten, again, the power of

ideology. The Iranian *mullahs* may contend among themselves, but they all despise the West and pray for the defeat of it and its friends. The possibility of better post-Khomeini relations with Tehran will be strengthened not by dealing with "pragmatists" among the clergy but by supporting their pro-Western opponents, now mostly underground.

The claim has been made that the equipment involved—and perhaps Iranian assets to be unfrozen in the United States—cannot tip the balance in the Iran-Iraq war. But that assessment requires clairvoyance not possessed by this or any other Administration.

The apparent involvement of Israel as a conduit for U.S. equipment does show, even in an ill-advised course, Israel's value to America as a dependable ally. Israel also has reasons to seek channels into Iran, including the 30,000 or more Jews trapped there, the need to keep the huge Iraqi military pointed east, not west, and the hope for better relations after Khomeini. But these do not override the regional threat posed by a possible Iranian victory. (Israel provided the United States logistic support; it did not—as some have charged—initiate the Washington-Tehran deal.)

Islamic fundamentalism, epitomized by the triumph of Khomeini over the pro-American Shah, helped revive the very terrorism that seizes and sometimes murders American citizens and bombs American installations in the Middle East. Along with the money and influence that petro-dollars bought for radical regimes and terrorist organizations in the 1970's, fundamentalism helped to prevent the Camp David Accords from blossoming into a general Arab-Israeli peace. American policy should be to contain, not appease, both fundamentalism and petro-dollar influence.

Bartering for hostages is short-sighted. Yielding to terrorism will not strengthen America's position in Iran or anywhere else. □

VIEWING THE NEWS

SDI Contract

Israel's Defense Ministry and the Pentagon "signed an accord granting Israel some \$6 million to research anti-missile defense as part of Israel's participation in the Strategic Defense Initiative (SDI)" (*Jerusalem Post*, Nov. 6). The daily noted that Israel is interested in the research because Syria has obtained Soviet SS-21's, accurate, short-range ballistic missiles.

However, "sources in the Defense Ministry expressed disappointment over the

size" of the contract. "The ministry hopes Israel's part in the research will increase."

New Prime Minister

After just 14 months in office, Egyptian Prime Minister Ali Lufti was dismissed by President Hosni Mubarak. Mubarak named another economist, Atef Sedki, to the post. The appointment of Sedki, head of Egypt's Central Auditing Agency, came amid continuing reports of economic woes and efforts by Cairo to renegotiate or get

new international loans.

Asked about Egypt's extensive system of subsidies for bread, gasoline and other basics—criticized by many foreign analysts—Sedki said "those with low incomes have a right to subsidies, and this question already has been studied" (Cairo Radio, Nov. 10). The new Prime Minister denied there was a move to abolish subsidies but added that "we do have ideas on how to administer them correctly and to ensure that they reach those who deserve them." □

NEWS ANALYSIS

The New U.S.-Iran Connection

Not since 52 American hostages were released almost six years ago have U.S. and Iranian interests appeared so intertwined. Press reports reveal that President Reagan and top Administration officials have conducted a secret arms-for-hostages trade with Iran for more than a year. In doing so, the White House apparently disregarded the objections of the Pentagon and State Department and withheld information from all but a handful of Presidential advisers.

The secret had been closely guarded also in Iran, where "pragmatists" led by Speaker of the Majlis (parliament) Ali Akbar Hashemi Rafsanjani apparently circumvented extreme anti-Western members of the government to deal with the United States.

The U.S. broke relations with Iran in 1980 and imposed sanctions against it for its sponsorship of terrorism. Iran has denounced the U.S. as "the Great Satan" and supported violent acts against the U.S. Why then did officials in Washington and Tehran override the objections of their own governments to deal with each other?

President Reagan may feel a personal involvement in the plight of the captives. He began his presidency by announcing that U.S. hostages had been freed in Iran after more than a year of incarceration. Now, the White House has decided that to gain the release of hostages held by Iranian-supported Hezbollah and Islamic Jihad in Lebanon, it had to work with Tehran. More-

over, Iran occupies an important strategic location between the Soviet Union and the oil and warm water ports of the Persian Gulf. Iran is also one of the world's largest producers of oil.

Iran was anti-Communist under the Shah and has not changed under the Ayatollah. Nevertheless, it received arms from China, Eastern Europe and North Korea. Given Iran's geopolitical importance, the U.S. hopes to establish relations with those who might succeed the aged Khomeini.

Iran, locked in a six-year battle with Iraq, needs materiel and money. Its oil revenues plummeted from \$16 billion last year to \$6 billion this year, due both to the fall in world oil prices and Iraqi bombing of its petroleum facilities. Some observers believe that pressure from Tehran pushed Saudi Arabia to dismiss veteran Oil Minister Sheik Ahmed Zaki Yamani. Yamani's recent strategy for the Organization of Petroleum Nations was to keep volume high and prices low; Iran wanted output reduced to raise prices.

The U.S. and other Western countries could provide the spare parts Iran needs to continue operating American-built equipment originally supplied to the Shah. In addition, the U.S. and Iran are arguing over more than \$8 billion in 4,000 separate suits in the U.S.-Iran Claims Tribunal at The Hague. Although the decisions rest with the judicial panel, the U.S. government must approve the disbursement of money to Iran.

Ironically, the Iranians may have lost more than they gained. The disclosure came at a time of political infighting over Khomeini's successor. If the ruling "pragmatists" are branded as Western collaborators, it would undercut their authority. This has reverberations in Lebanon, where Iranian-supported Hezbollah and Islamic Jihad compete with Syria for influence. In fact, some analysts believe that Syria leaked the story to the West to undermine the "pragmatists" in Tehran and to weaken Iran in Lebanon.

It is unclear whether the military gains provided by additional materiel will offset the political losses sustained by the regime in Tehran. Several defense analysts agree that the amount of equipment provided to Iran would not affect the outcome of the Iran-Iraq war. They concur that although Iraq has an upper hand when it comes to equipment, Iran has the advantage of a larger population more willing to make sacrifices for the war effort. Pentagon officials believe that at present levels of strength Iran could launch its "final offensive" to depose Saddam Hussein but could not sustain it for long.

But one knowledgeable observer cautions that "the trouble with Iran is that there are very few good sources of information on events within the country so we have to be very cautious about reaching conclusions."

□
—J.R.

FILE FOR THE RECORD

PLO Office Remains Open

The Justice Department does not intend to close the Palestine Information Office (PIO) in Washington, D.C., according to a high-level Department source. Justice is currently analyzing documents obtained in a five-hour on-site inspection of the PIO which it recently conducted. The PIO is registered with the Justice Department to lobby on behalf of the Palestine Liberation Organization.

Sources explain that Justice Department officials have been convinced by the intelligence community that it is better to leave the office open than to force its activities underground. Furthermore, some officials argue that the First Amendment guaran-

tees free speech to the permanent U.S. residents who staff the PIO. Advocates of closing the office assert that support for terrorism, not free speech, is the issue.

A spokesman for the State Department claimed that the operation of the PIO does not contradict U.S. policy which prohibits contact with the PLO; nor does it conflict with U.S. opposition to terrorism, since the U.S. does not label the PLO a terrorist organization. He explained that "the PLO is an umbrella organization which includes some terrorists and some organizations that foster terrorism, but it also includes the Palestinian version of the Red Cross and a bar association."

Regarding the PLO's commitment to "armed struggle," the official explained that before the U.S. will deal with the PLO, the organization must accept U.N. Security Council Resolutions 242 and 338. By doing so it would "implicitly" renounce violence, he said. The spokesman saw no contradiction in the fact that while the U.S. does not regard the PLO as a terrorist group it nevertheless acknowledges that the PLO embraces "armed struggle."

A Washington-based expert in terrorism explained the State Department view by saying that "there remain within the Administration those who want to deal with the PLO." □

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HEARD IN WASHINGTON

Defeating U.N. Anti-Zionism

The 11-year-old United Nations General Assembly resolution equating Zionism with racism threatens not only Israel and its supporters but America and liberal democracies everywhere, several well-known speakers agreed at a Washington program on "The Time-Bomb of U.N. Inspired Anti-Semitism." Alan Keyes, Assistant Secretary of State for International Organization Affairs, pledged to "find a way to assure the reversal not only of the concept that Zionism equates with racism, but of the insidious political strategy it represents."

More than 200 people heard Keyes, former U.N. Ambassador Jeane Kirkpatrick, Deputy Assistant Attorney General Allan Gerson and others at the Nov. 9 session sponsored by the International Association of Jewish Lawyers and Jurists. Keyes said that passage of Resolution 3379 on Nov. 10, 1975 helped illustrate how the U.N. has been transformed from an organization "dedicated to the pursuit of peace" to "an extension of each of the conflicts in the world."

General Assembly votes are not meant to help foster conditions for peace. "Respect for facts, for the truth, no longer matters." Instead, Keyes declared, U.N. debates become part of an effort by groups which can combine for a majority, such as those of the Soviet and Arab blocs, "to delegitimize their enemies in those conflicts."

In condemning Zionism, the U.N. labeled it an "enemy of humanity," the As-

sistant Secretary noted. Therefore, all means of opposition to it—including terrorism—can be permitted. It must be understood, Keyes stressed, that "the target is not just Israel and all Jews who support Israel, but all people who support Israel and our common liberal, Western democratic heritage."

One intended effect of the resolution was "to drive a wedge between traditional allies"—blacks and Jews—in American domestic politics. Keyes said that the alliance between the two groups did not begin with the 20th century fight for civil rights but with the 19th century struggle against slavery. "By introducing an element of racist anti-Semitism back into political discourse under the guise of anti-Zionism," Resolution 3379 aims directly at the traditional alliance, he asserted.

Kirkpatrick, now a senior fellow at the American Enterprise Institute, a Washington think-tank, said that the U.N. became an anti-Israel battleground after the Jewish state won the 1967 and 1973 wars. "When the hopes of the rejectionist states of defeating Israel militarily waned . . . they undertook an indirect campaign." She noted that the resolution equating Zionism with racism originally was introduced by the Soviet Union. She also pointed out that the three states which "year after year introduce resolutions seeking, in effect, to expel Israel" from the world organization are Syria, Libya and Iran—with the support of most of the Soviet and Arab blocs.

Kirkpatrick noted that such "utter hostility" was difficult for many in the West to accept. "We are not speaking here of a misunderstanding which might be resolved by a summit meeting." Instead, "the very notion of compromise with Israel is itself the object of a kind of war. . . ."

"To undo the injustice done the State of Israel," she said, resolutions should be introduced into every session of the General Assembly, and annually into the Security Council, calling for the repeal of the measure equating Zionism with racism. The repeal effort should be pushed aggressively, Kirkpatrick added.

Gershon revealed that the U.N. Secretary-General's office had declined to send a representative because the topic was "too controversial. . . . Who has and who has not chosen to come to this session tells you a lot about this struggle." He warned that while enemies of Israel equated Zionism with racism ten years ago, "in the U.N. speaker after speaker now equates Zionism with Nazism," substituting Israel for Germany and Palestinian Arabs for Jews as victims.

Congress formally rejected Resolution 3379 last year and urged other countries to follow suit. Late last month both houses of the Australian Parliament called the measure "inconsistent with the charter of the United Nations" and "unacceptable as a misrepresentation of Zionism." Parliament recommended that Australia support efforts to overturn it in the U.N. □

HEARD ON CAPITOL HILL

Changes in the New Senate

Close U.S.-Israel ties are likely to continue in the 100th Congress. With Democrats regaining control of the Senate, 55-45, after six years as the minority party, Democratic legislators will take over all committee chairmanships. Of particular importance to the pro-Israel community are the Foreign Relations, Appropriations, Budget and Armed Services Committees.

Sen. CLAIBORNE PELL (D-R.I.) will replace RICHARD LUGAR (R-Ind.) as chairman of the Foreign Relations Committee. Pell has supported aid for Israel and strongly opposed the recent Saudi arms sale and the proposed Jordan arms sales. Sen. PAUL SARBANES (D-Md.), a consistent supporter of Israel, is in line to chair the Foreign Relations Near East Subcommittee.

There will be important changes in the Appropriations Committee. Sen. JOHN STENNIS (D-Miss.) succeeds Sen. MARK

HATFIELD (R-Ore.) as chairman. Stennis, 85, will also take over from Sen. STROM THURMOND (R-S.C.) as President Pro Tempore of the Senate. The head of the Appropriations Foreign Operations Subcommittee will likely be Sen. DANIEL INOUE (D-Hawaii) who, along with outgoing Chairman ROBERT KASTEN (R-Wis.), has played a key role in securing aid for Israel.

Sen. LAWTON CHILES (D-Fla.) will take over the Budget Committee from Sen. PETE DOMENICI (R-N.M.). On Armed Services Committee, Sen. SAM NUNN (D-Ga.) assumes the chairmanship from retiring Sen. BARRY GOLDWATER (R-Ariz.). Nunn has been one of the main proponents of U.S.-Israel strategic cooperation.

At least five freshmen with stronger records on foreign aid than their predecessors are moving across the Hill from the House of Representatives.

The freshman Senate class includes: BROCK ADAMS (D-Wash.), CHRISTOPHER BOND (R-Mo.), JOHN BREAUX (D-La.), KENT CONRAD (D-N.D.), THOMAS DASCHLE (D-S.D.), WYCHE FOWLER (D-Ga.), BOB GRAHAM (D-Fla.), JOHN MCCAIN (R-Ariz.), BARBARA MIKULSKI (D-Md.), HARRY REID (D-Nev.), TERRY SANFORD (D-N.C.), RICHARD SHELBY (D-Ala.) and TIMOTHY WIRTH (D-Colo.).

Defeated in reelection bids were Sens. JEREMIAH DENTON (R-Ala.), SLADE GORTON (R-Wash.), MACK MATTINGLY (R-Ga.), PAULA HAWKINS (R-Fla.), JAMES BROYHILL (R-N.C.), MARK ANDREWS (R-N.C.) and JAMES ABDNOR (R-S.D.). The two Jewish incumbents up for reelection, ARLEN SPECTER (R-Pa.) and WARREN RUDMAN (R-N.H.), both won.

(Next, changes in the House of Representatives.) □

BACK PAGE

Facts Out of Context

A Washington, D.C. bank advertises itself as "the most important bank in the most important city in the world." The *Washington Post*, with its 800,000 daily and 1.1 million Sunday readers, needs no such self-promotion. It is virtually the capital's central nervous system.

That makes what the *Post* says very important. And what the paper has chosen to say about Israel lately is curious. Opinions on the newsworthiness and objectivity of individual stories, of course, vary from editor to editor and among readers. But over time, patterns emerge.

Since late September the pattern in the *Post* has included: Three negative stories in four days at the end of October. Two started on page one, the third began on the first page of the "World News" section. The first dealt with the disappearance of Mordechai Vanunu, the Israeli technician who allegedly sold an account of the country's nuclear weapons capacity to a British newspaper. The second was a 30th anniversary commemoration of a massacre of Israeli Arabs by Israeli troops. And the last recounted the story of a vanished American, Richard Smyth, who had been indicted for allegedly smuggling electronic timing switches—which have nuclear application—to Israel.

Questions arise not over the news value of the stories about Vanunu but over the way they were played. The Oct. 29 front page article, written by the *Post's* Jerusalem correspondent, followed by one day wire service coverage of the same story on an inside page. Later, on Nov. 10, the paper gave top of the front page coverage to the latest developments in the Vanunu case.

The Oct. 31 front page article on Smyth was news—once. But nothing in the latest piece indicated why the newspaper decided just then to resurrect it as a magazine-length feature.

Most disturbing of the three, however, was the coverage given to the Kfar Kassem anniversary. Headlined "Israeli Arabs Mark 1956 Massacre," with a subhead "Some Jews Join to Keep Alive Memory of 47 Killed by Soldiers," it used the anniversary as a news peg for charges that Israeli Arabs continue to be second-class citizens at best.

The problem stems not from recalling the Kfar Kassem tragedy. The story does explain how it happened, through a chain of errors in imposing a curfew on the eve of the Sinai campaign. The question going begging here is when was the last time the *Post* highlighted, complete with a large photo and more than 20 paragraphs of text, the anniversary of any of the innumerable massacres of Jews by Arabs—none of which was an accident.

This illustrates a chronic news media problem in which the *internal* context of a story clashes with the *external* context. The Arab conflict with Israel, including massacre stories, is in no way symmetrical. This asymmetry is part of the external context, and was slighted in the Kfar Kassem story and also—by not detailing the quantitative Arab threat Israel's presumed nuclear capacity is meant to deter—in the Vanunu and Smyth stories.

On Sept. 29 a headline on the first page of the "World News" section read, "Israel Indicts Demjanjuk As Nazi War Criminal." The lengthy article was followed two days later by a story titled, "War Crimes Trial Poses Questions for Israelis." The subhead explained that "Some Fear It Could Be Harmful to Country." News? Yes. Obsessive? Yes again.

On Oct. 9 a long story bore the headline and subhead, "Stabbings in Gaza Embitter Israelis, Slaying of Two Jews Prompts Demands for Vengeance." The focus appeared to be more on the reaction than the murders. On Oct. 11 another prominent story was headed, "Many Soviet Jews Tasting A Bittersweet Life in Israel."

This has been the pattern from late September into mid-November. A *Post* editor noted that, in general, stories are reported without regard to whether they are positive or negative. When cycles in coverage do occur they are natural, not consciously determined, he said.

Nevertheless, anyone who knows Israel knows that many of its newsworthy problems stem from, or have been intensified by, the nearly four-decade-long siege imposed on it by most of its Arab neighbors. And they understand that, in spite of this, the successes outnumber the failures. For some time now, this external context has been conspicuously absent from the *Post*.
—E.R.

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OCTOBER 1986

Polls Show Support for Israel, President

Support for Israel Strongest Among Republicans

A poll conducted by the Roper Organization has shown that support for Israel among grass-roots Republicans is higher than at any time and, significantly, that Republicans are more likely than Democrats or independents to favor Israel over the Arabs in the Middle East. The poll, which is commissioned annually by the American Jewish Committee, seeks to reveal the sentiments prevailing among the American public on matters relating to Israel and American Jews.

Conducted in June and released on September 18, the poll showed that a majority of Americans sympathize with Israel rather than with her Arab enemies. In the past, support for Israel was found among only a plurality of Americans. Only eight percent of the respondents expressed support for the Arab states over Israel in the Middle East.

Almost two thousand adults were asked whether they found themselves "more in sympathy with Israel, or more in sympathy with the Arab nations?" Of those respondents who identified themselves as Republicans, 63 percent expressed sympathy for Israel, and only 8 percent for the Arab states. Among Democratic respondents, 55 percent sympathized more with Israel, and 9 percent with the Arab nations. Support for Israel was weakest among independents, of whom only 42 percent expressed support for Israel, and 8 percent said that they sympathized more with the Arabs.

The results reflect the continuation of a ten-year trend in which Republicans are more likely than Democrats to be supportive of Israel in the Middle East

conflict. Polls taken by the Gallup and Roper organizations since 1975 have consistently shown more Republicans to be sympathetic than Democrats. However, the margin of 8 percent between Democrats and Republicans who express such support is the largest since 1977, when a Gallup Poll found 50 percent of Republicans and 41 percent of Democrats supporting Israel.

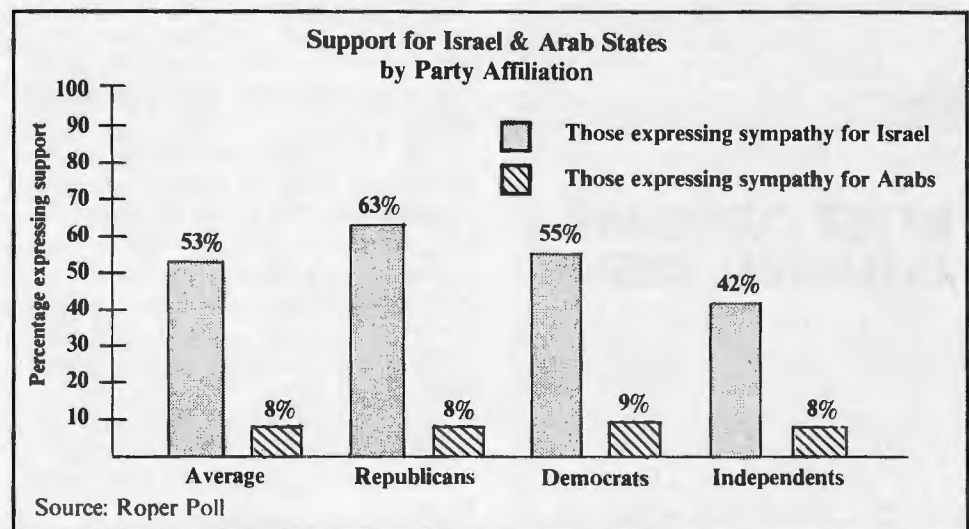
The increase in support for Israel is believed to be the result of several factors, particularly the proliferation of terrorist attacks by Arabs against U.S. targets around the world. Among Republicans, though, the strong pro-Israel stance of the Reagan administration and the expansion of strategic cooperation between the United States and Israel are viewed as important sources of increased sympathy for the Jewish state.

The poll also showed that, while 52 percent of Americans consider Israel a reliable ally—a result comparable to the

53 percent found in 1985—more Americans—34 percent, as opposed to 25 percent in 1985—believed Israel to be an unreliable ally. This rise is attributed to the effects of the Pollard spy case, which came to trial as the poll was being conducted. Jonathan Pollard, an American Jew, pleaded guilty in June to charges of having spied for Israel.

Public Approves of SDI, President's Actions in Reykjavik

Polls conducted by the nation's major news organizations indicate that the American people overwhelmingly endorse President Reagan's performance at the Reykjavik summit. A *New York Times*/CBS poll showed that over 70 percent of the public approves of the President's handling of the United States' relations with the Soviet Union. According to the poll, 44 percent blame Mr. Gorbachev for the summit's "failure," while only 17 percent blame Mr. Reagan. The poll also indicates strong support for the President's desire to continue work on the Strategic Defense Initiative, with 68 percent of Americans stating that he should not give up SDI in exchange for large reductions in U.S. and Soviet nuclear arsenals. Similar results were obtained by *Washington Post*/ABC and *Wall Street Journal*/NBC polls.



CAPITAL Wire

GLENN AMENDMENT SCRATCHED

An amendment that would have severely restricted Israel's ability to win research contracts under the Strategic Defense Initiative (SDI) has been removed from the 1987 Defense Authorization Bill. The amendment, proposed by Senator John Glenn (D-OH), sought to make foreign companies ineligible for contracts to conduct SDI research "that could reasonably be performed by a U.S. firm."

At the initiative of Rep. William Dickson (R-AL), the Glenn amendment was deleted from the final version of the bill at a conference of members of Congress convened to reconcile differences between the bills passed by the Senate and the House of Representatives. The effort to kill the amendment, which did not pass in the House, was led by New Jersey Republican representative, Jim Courter.

In a statement, Courter referred specifically to SDI's importance to Israel's future security. Facing a threat from the Soviet-made short-range missiles recently acquired by Syria, he said, Israel "looks to the U.S. to help her defeat these Soviet missiles."

Israel, Britain, West Germany and Italy have formally agreed to participate in SDI research, and Japan is expected to do so in the near future. Under the terms of the agreements, firms from these countries compete for SDI contracts on an equal footing with U.S. companies.

Courter praised this participation saying that Israel and other U.S. allies "are helping develop systems to protect the entire free world, not just their homelands. To them," Courter continued, "the Glenn amendment was a moral affront as well as a violation of their signed agreements with the U.S. government."

WEBER CONDEMNS ANTI-ISRAEL GROUP

Rep. Vin Weber (R-Minn.) is seeking to prevent anti-Semitic groups from using a GOP club in Washington to further their platforms. Weber's effort comes in the wake of a recent Washington press conference held by the Liberty Lobby and other anti-Semitic groups at the

Capitol Hill Club, which is owned by the Republican National Committee but which is operated independently. According to the Anti-Defamation League of B'nai Brith, the Liberty Lobby is the nation's best-financed anti-Semitic group.

Weber has circulated a letter among his colleagues expressing his concern that these organizations were able to obtain permission to use the Club to further their anti-Israel policies. His letter also requests that the GOP legislators make a formal protest over the matter to the Club's administrators.

As a result of his efforts, Weber has come under attack in the *Spotlight*, the Liberty Lobby's newspaper. Describing Weber as "a strident congressional backer of Israel's imperial aims...", the paper accused him of using the letter as "a way to win votes and drum up campaign contributions." Weber, a former aide to Sen. Rudy Boschwitz (R-Minn.) and one of Israel's foremost supporters on Capitol Hill, is facing the most serious re-election challenge of his career.

ARAB-AMERICANS INCREASE ACTIVISM

The Arab American Institute (AAI) has released details of its efforts to increase Arab-American influence in political institutions around the country. According to the AAI report, the organization hopes to "develop Arab-American electoral machinery...that can be used effectively by the community in the years to come." This is being done through a coordinated program that includes the building of Arab-American Democratic and Republican clubs, support for Arab-American candidates, and voter mobilization.

The AAI report summarizes the organization's efforts to establish an Arab-American presence within the main political parties. Its activities include fundraising for such members of Congress as Michigan Democrats David Bonior, John Conyers, George Crockett, and Dale Kildee, and California Democrats, Ronald Dellums and Mervyn Dymally. The AAI is also working within Jesse Jackson's National Rainbow Coalition in order to obtain access to the national Democratic Party.

With regard to the Republican Party, the AAI reports success in passing a pro-Arab resolution at the National Republican Heritage Groups' Council convention in June. The resolution, based on an earlier Arab-American resolution, states that "the right to self-determination of the Palestinians *must* be part" of a solution to the problems of the Middle East [emphasis in original].

HECHT, REAGAN AND SOVIET JEWRY

In a recent speech before the Jewish National Fund in Washington, D.C., the attorney general, Edwin Meese, told his audience of how President Reagan obtained a list of 1,100 Soviet-Jewish prisoners of conscience and relayed the list to the Soviet leader, Mikhail Gorbachev, during the two men's summit meeting in Reykjavik.

The tale began earlier this year when President Reagan was seeking support for his proposed arms sale to Saudi Arabia. One of those he met with was Republican Chic Hecht, Nevada's Jewish junior senator. Hecht agreed to support the sale, which was not opposed by Israel or by the pro-Israel lobby in the United States, but also asked the President's assistance on the issue of Soviet Jewry.

The President agreed, and on the day of his departure for Iceland, invited Hecht to a private meeting in the Oval office—the President's last before he boarded Air Force One for Reykjavik. At that meeting, the Senator gave the President the list of 1,100 Soviet Jews who had been refused permission to emigrate. He also told the President that the Jews were being held hostage simply because they wanted to practice their religion. It was for this reason, Hecht said, that his own mother had left Russia for the United States decades before.

The President, evidently, was touched by the Senator's plea. During the summit, he gave the list of names to Mr. Gorbachev, and told him the story of how Senator Hecht's mother had done what these Jews sought to do. The President added that this woman's son is a Jew who is now a United States senator. Mr. Reagan is the first president ever to have given such a list to a Soviet leader.

Campaign '86: Iowa and Indiana

Iowa

If, as current opinion polls predict, Iowa's senior senator, Charles Grassley, succeeds in his campaign for re-election in November, he will become the first senator from the state to do so in twenty years. In many ways, Iowa is typical of heartland America—a farming state in which the majority still lives in rural areas—and harbors a suspicion of Washington and those who serve there.

Unlike many of his predecessors, though, Grassley has succeeded in overcoming this suspicion, retaining among Iowans his image of a simple farmer whose high station has not caused him to lose sight of the state's interests. He has been a consistent advocate of his constituents' concerns throughout the farm crisis.

Elected with Ronald Reagan in 1980, he has nevertheless maintained his independence from the White House in his effort to put Iowa first. In no area is this independence more apparent than defense spending. With no military installations in the state, Grassley has been free to attack waste in the Pentagon budget. Indeed, his zeal in eliminating such waste and his advocacy of military reform have become hallmarks of his tenure.



Sen. Charles Grassley

During the latter half of his term, Grassley has become increasingly close to the Jewish community. A congressional leader in the fight for Soviet Jewry since the earliest days of his term, he has also taken a lead in the effort to combat ter-

rorism. He played a prominent role in persuading the Justice Department to investigate the role played by Yasir Arafat in the murder in 1973 of Cleo Noel, the U.S. ambassador to the Sudan, and recently sponsored a letter to the President calling for the closure of the PLO's office in Washington, D.C. He also sponsored legislation recently to deny foreign tax-credits to companies doing business in certain countries which support terrorism.

Grassley has also become a leader on other issues of concern to Israel, such as the increasing levels of U.S.-Israel strategic cooperation. While he supported the 1981 sale of AWACS surveillance planes to Saudi Arabia, he has since become a staunch opponent of U.S. arms sales to Arab nations which remain in a state of war with Israel.

Grassley's opponent is John Roehrick, the former president of the Iowa Trial-Law Association. A poll released by the *Des Moines Register* on October 21st shows Grassley leading by 43 percent and projecting that he will win re-election with a record 70 percent of the vote.

Indiana

When Indiana's junior senator, Dan Quayle, won election to the Senate in 1980, he was a young, relatively inexperienced legislator whose future in the upper chamber seemed uncertain. Although, at 33 years old, Quayle had served two terms in the House of Representatives, as a junior member of the minority party he had not played a prominent role.

Since his victory in 1980, however, Quayle has earned a reputation as a serious and thoughtful senator. As a member of some of the upper chamber's most powerful committees—including those on the Budget and the Armed Services—he has earned the respect of his colleagues for his disciplined approach to the problems facing the government.

On most issues, Quayle is a strong supporter of the Reagan administration. He is also very close to Indiana's senior senator, Richard Lugar, chairman of the Foreign Relations Committee, a fact that has been reflected in his votes favoring

the recent sales of U.S. arms to Jordan and Saudi Arabia. Nevertheless, he has also demonstrated a willingness to differ with the administration. As a member of the Armed Services Committee, Quayle has demonstrated a particular interest in defense issues, and has questioned Pentagon requests for budget increases that he has considered excessive. He also proposed an amendment to help keep defense costs down by increasing the level of competition involved in the defense-procurement process.



Sen. Dan Quayle

With Indiana's Jewish population numbering only 21,000, Quayle has had only limited contact with the Jewish community. He has, however, shown concern for the plight of Soviet Jewry and has been a strong advocate of strategic cooperation between the United States and Israel. In particular, he has helped promote Israel's role in the Strategic Defense Initiative, sponsoring an amendment providing \$50 million for development of the anti-theatre ballistic missiles that are of primary concern to the Israelis. He has also supported efforts to reduce terrorism, and recently signed a letter to the President protesting the PLO bombing at the Western Wall in Jerusalem, and calling for the closure of the PLO office in Washington.

As a popular GOP incumbent running in a heavily-Republican state, Quayle is expected to win comfortably in November against Jill Long, a councilwoman and business professor from Valparaiso City. As one of the Senate's youngest members, and one who has established a solid reputation, he is expected to be an increasingly-important figure in Washington in the years to come.

Jewish Vote Key in Gubernatorial Races

In two important gubernatorial races this year—those in Illinois and California—Jewish support is expected to play an important part in determining the outcome. Although Jews constitute only 3.1 percent of California's population, and 2.3 percent of Illinois's, the gubernatorial candidates all view the Jewish vote as important to their success. In both races, concern over the challenger's record on Jewish issues has helped the incumbent Republicans win extensive Jewish support.

Illinois

The Illinois governor's race achieved national attention in March when supporters of the political extremist, Lyndon LaRouche won the Democratic nomination for lieutenant-governor and secretary of state. As a result of the LaRouche victory—caused, observers believe, by low voter-interest in the race—the Democratic gubernatorial nominee, Adlai Stevenson III, declined to run with the LaRouche nominees. Stevenson subsequently withdrew from the Democratic ticket, an-



Photo: Matt Ferguson

Gov. James Thompson (right) at Chicago's Telshe Yeshiva

nouncing that he would run as an independent.

Stevenson is now involved in a close race with the incumbent governor, James Thompson, to whom he lost a 1982 bid for the state-house. Thompson has maintained close and long-standing ties to the Jewish community since he was first elected in 1978. Since that year, he has served as honorary chairman of the State

of Israel Bonds organization, opening his home on several occasions for fund-raising events.

Thompson has also stood by the Jewish community on a variety of internal state issues, speaking out strongly against a planned march through the Jewish Chicago suburb of Skokie by members of the American Nazi Party in 1978. He also resisted strong pressure from labor groups in the state by supporting a bill to allow Sunday burials, an issue of great concern to observant Jews.

Stevenson, by contrast, succeeded in alienating the Jewish community while a member of the U.S. Senate. During his ten years in Washington, Stevenson earned a reputation as one of Israel's most hostile critics in Congress. His record included the sponsorship of legislation to cut U.S. aid to Israel, support for increased U.S. arms sales to Arab states, and the advocacy of direct U.S. ties with the PLO.

As a result of this record, Stevenson lost substantial Jewish support when he first sought to defeat Thompson in 1982. Thompson's success in attracting a majority of the Jewish vote was considered instrumental to his reelection, which he won by only 5,000 votes. This year, Thompson has been endorsed by the leaders of almost every Jewish organization in the state. With the Jewish vote expected to play a similarly pivotal role in this year's race, Thompson's prospects for victory appear good.

California

When Los Angeles' mayor, Tom Bradley, lost the 1982 governor's race by fewer than 100,000 votes out of a total of 7.5 million, he won more than 70 percent of California's Jewish vote. In the years since, however, Bradley has lost much of the Jewish support he enjoyed, while the victor in 1982, GOP governor, George Deukmejian, has become increasingly popular among the state's 800,000 Jews.

Bradley's loss of Jewish support is the result largely of his failure in September, 1985, to condemn the leader of the Nation

of Islam, Louis Farrakhan prior to Farrakhan's highly-publicized trip to Los Angeles. Despite pleas from prominent state officials, the Los Angeles city council, and Jewish leaders, Bradley, who is black, refused to speak out against Farrakhan and his blatant anti-Semitism. Only after Farrakhan's appearance in the city did Bradley finally condemn the black racist.

Bradley's apparent insensitivity to Jewish concerns about Farrakhan caused considerable anger among the many Jews who had strongly supported his gubernatorial campaign. In the words of Herbert Brin, a Los Angeles publisher of Jewish newspapers who had strongly supported Bradley in 1982, "With the Farrakhan incident Bradley lost his momentum in the Jewish community and has been unable to regain it. The impression that he is unreliable on life-and-death issues of concern to the Jewish community has severely limited the Jewish financial support he has received".

While Bradley's actions lost him Jewish support, Deukmejian has worked hard throughout his term to build ties to the state's Jews. An Armenian who was appointed to the U.S. Holocaust Memorial Council in 1984, Deukmejian supported a \$5 million grant to the Simon Wiesenthal Center in Los Angeles. His chief of staff is a Jew active in Jewish affairs who has enabled Deukmejian to develop a keen sensitivity to Jewish concerns.



Gov. George Deukmejian (center) attends Holocaust remembrance service in Los Angeles

Deukmejian has maintained a comfortable lead over Bradley in this year's race. His prospects for reelection are enhanced by the strength of opposition to the chief justice of California's Supreme Court, Rose Bird, a liberal Democrat who faces a confirmation vote in November, and he is expected to win by as many as a million votes.

Exploiting the Farm Crisis in Missouri

The race in Missouri for the United States Senate seat being vacated by Democrat Thomas Eagleton has seen the crisis in the farm-belt become a major political issue. Seeking election in November are Missouri's former Republican governor, Christopher "Kit" Bond, and the state's current lieutenant-governor, Democrat Harriet Woods.

On two occasions during the campaign, actions by Woods relating to the farm crisis have caused controversy, severely damaging her prospects of defeating Bond. The most recent incident occurred at a campaign speech made by Woods on September 11. While addressing the United Farmers' and Ranchers' Congress, Woods criticized the "east-coast collection agencies" and "New York banks" which, purportedly, have been responsible for the foreclosure crisis facing many Mid-West farmers. These terms have been used by far-right hate groups to refer to



Lt. Gov. Harriet Woods

supposed Jewish control of U.S. financial institutions. Literature including such references was distributed by group members both at the September 11 meeting and at an earlier concert held by Willie Nelson. The work of these groups in generating anti-Semitic sentiment among farmers has attracted widespread attention, particularly in the Mid-West.

Among those expressing concern over Woods' remarks was the regional office of the Anti-Defamation League of B'nai

Brith (ADL). In a letter to the Democratic candidate, the office wrote: "I find it incredible that neither you or (*sic*) your speech-writer realized that such comments ...have been used by the right-wing extremist and hate groups as code-words for alleged Jewish control of the United States' banking system. To use such code-words in a speech to an audience such as the United Farmers' and Ranchers' Congress...validates these bigoted ideological attacks against the Jewish people." The letter concluded: "Unfortunately, the impression left is that of pandering to the lowest elements in the audience."

In light of Woods' efforts in other areas to attract financial support for her campaign, the September 11 incident's repercussions have been felt beyond the borders of Missouri. Woods travelled to New York City recently to solicit campaign contributions from the City's banking community. She has also sought and obtained substantial backing from American Jews, receiving contributions from a number of Jewish and pro-Israel political-action committees (PACs). Despite the controversy surrounding Woods' comment, however, she has all but escaped censure by the Jewish establishment and, as far as is known, no Jewish newspaper has published details of the matter.

Although she is Jewish, Woods did not identify as such until she first ran for the Senate against Missouri's incumbent senator, Republican John Danforth. Her children, in fact, were raised as Protestants and educated in that church's parochial schools. On the basis of her recent identification with the Jewish community, however, many Jewish organizations have supported her candidacy and overlooked her recent injudicious comments. The treatment Woods has received is in sharp contrast to that received by Rep. Ken Kramer, the Republican candidate for Colorado's Senate seat, who is also Jewish, but whose support from the Jewish community has been minimal.

Nevertheless, Woods' remarks at the farm meeting have again raised serious

questions in Missouri concerning her judgment. Earlier in the campaign, she came under strong criticism in the state press for a series of campaign advertisements that sought to exploit the farm crisis. The series showed an interview in which Woods interviewed a couple whose farm had been lost to foreclosure. In the advertisement, Woods asked rhetorically: "What do these big banks and mortgage companies think they are doing?" She added: "I think this government is channelling money to the corporations."



Former governor, Kit Bond

The response to the series was overwhelmingly negative. The farm couple's home-town paper labelled the series "sleazy and shallow," and the couple themselves stated that they felt that they had been misled by Woods. As a result of these blunders, Woods' campaign has faltered. Although she earlier appeared to be closing the lead that Bond has held throughout the race, recent polls indicate that Bond has pulled ahead by a margin of eight or nine points.

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Reykjavik and After

On the Sunday evening of his Reykjavik meeting with Mikhail Gorbachev, President Reagan made perhaps the most difficult and courageous decision of his presidency. After twelve hours with the Soviet leader—hours accompanied by rising press speculation that the meeting would produce historic agreement—Mr. Reagan recognized that no further progress could be made, and brought the discussions to a close. The summit, the press declared, had collapsed in failure.

Republican political strategists had hoped that the meeting would produce agreements on intermediate-range missiles or grain sales that would boost the re-election prospects of GOP senators. They were disappointed. Not only were hopes for such agreements dashed, but the President returned empty-handed from a meeting where sharp nuclear-arms reductions were seriously discussed.

The obstacle that caused the collapse of the talks was the Soviets' desire to virtually eliminate the Strategic Defense Initiative (SDI). The Soviets worked hard in Iceland to bring pressure to bear on the President to reach an agreement that would effectively kill SDI. To this end, they breached the press blackout agreed to by both sides, hinting that Mr. Gorbachev had presented the American leader with "an offer he couldn't refuse." But Mr. Reagan, recognizing that accepting such an offer could seriously weaken the West, refused it.

Democratic leaders wasted little time in decrying the President's actions. Colorado senator, Gary Hart, a Democratic presidential aspirant, accused the President of having "given up what could have been an astounding achievement in arms control to protect [SDI]. History," he added, "will show that that was a bad bargain on his part." Rep. Tony Coelho (D-CA), chairman of the Democratic Congressional Campaign Committee, was even harsher: "This shows," he said, "that the administration is not able to bring about world peace..."

Far from frittering away an opportunity for peace, though, Mr. Reagan demonstrated in Iceland his belief that peace lies, not in a treaty dependent on Soviet good-will, but in assured security for the West. Since the Soviet Union has violated every arms-control treaty it has

ever signed with the United States, it would have been folly for Mr. Reagan to agree to total disarmament with no guarantee against Soviet non-compliance.

SDI will provide such a guarantee. Though imperfect, SDI's defenses will be strong enough to protect against Soviet cheating in the event that both sides agree to dismantle their nuclear arsenals. Further, within a short time, the United States will be able to deploy a rudimentary defense system capable of guarding

Mr. Reagan's stand in Iceland has won wide-spread support.

against an accidental firing or against a terrorist nuclear attack. In fact, it is in recognition of the need for such protection that the Soviets have sought to develop a strategic defense of their own.

But SDI does more than guard against nuclear attack: it also seeks to protect against conventional attack by short-range missiles. This aspect of the program is of particular interest to Israel. Syria has

acquired Soviet-made SS-21 missiles whose range is great enough to threaten Israel's major population centers. It is because of the need to develop a defense against this threat that Israel is participating in SDI research.

President Reagan went to Reykjavik as the leader of the free world. While there, he fulfilled his responsibility by focusing on such issues of Western concern as the Soviet occupation of Afghanistan and abuses of human rights, particularly the Kremlin's refusal to allow free emigration of Soviet Jews. His efforts ensured that Mr. Gorbachev understood that these matters cannot be sacrificed for an improvement in relations.

The President also fulfilled his responsibility by refusing to accept an arms-control agreement that did not satisfy Western security concerns. By resisting the temptation to reach an agreement which, though imperfect, would pay domestic political dividends, Mr. Reagan distinguished himself as a statesman and prepared the ground for future talks.

As the initial disappointment over the summit's outcome has dissipated, Mr. Reagan's stand has won wide-spread support. Mr. Gorbachev was reminded that the United States is committed to freedom, and will not risk that freedom for an illusory peace. As a result of this, and of the progress made in Iceland, the prospects of reaching an arms-control agreement are vastly improved. More importantly, though, the President's efforts ensure that such an agreement will be one that brings true stability by safeguarding the security of the free world.

C.G.

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over there on the right objecting strenuously. I see in their ranks alcoholics, pot smokers, teetotalers, and coke fiends—about as many as you'd find in any other crowd. Let's hear from a White House punk on dope, the young man in the blue three-piece suit. Please speak up. He said, "Our hypocrisy is the tribute vice pays to virtue." Thank you, sir. I wonder, though: Why does Ms. Virtue accept such tribute—unless Mr. Vice has something quite important to offer?

Let's go back to John Winthrop for his thoughts. "I afterwards tooke occasion, from the benefite of Christian libertie, to pretend need of recreation when there was none, and so by degree I ensnared my heart so farre in worldly delights, as I cooled the graces of the spirit by them."

Exactly. The heart ensnared in worldly delights is the heart of our problem. In an ideal world, everybody would take the opportunity to taste worldly delights, yet recognize the cooling of the "graces of the spirit." Each person would know when sensual pleasure had lost its regenerative powers and was making his or her world a colder, not a better, place; when doing Michelob Light (or whatever) goes from being a human pleasure to being a selfish mistake; in short, when Mr. Vice knows it's time to pay up. The paradox lies in Mr. Winthrop's "Christian libertie." The "libertie" would allow each of us to make mistakes, to find this acceptable balance—for ourselves and on our own. The "Christian" modifies this liberty with a moral code to be honored, if not followed. Which is more important: "libertie" or its qualifier?

As a patriotic American, I choose liberty, and I'll flunk a urine test to prove it. Now I want to turn the floor over to a capitalist friend of mine. [The audience stirs.] He has something to offer you [commotion in the aisles]: pills that will render your urine as pure as the vice president's. [Total pandemonium.] He claims his invention is to the 1980s what radar detectors were to the 1970s ... [speaker drowned out by rising applause].

Meeting adjourned!

JEFFERSON MORLEY

Trading arms for prisoners.

HOSTAGE CRISIS II

PRESIDENT REAGAN IS facing his greatest credibility crisis yet. Before the 1980 election, he cast aspersions on Jimmy Carter for negotiating with terrorists and bargaining for hostages. For six years, he and his minions have declared they would never do the same, and they have browbeaten allies for allegedly lacking the courage to follow Reagan's example. The administration proclaimed neutrality in the Iran-Iraq war, promoted an arms embargo

to both sides (called "Operation Stanch"), and sent emissaries around the world urging other nations to join. Now it appears that all this has been a sham. For the last 18 months, the administration seems to have been securing arms for Iran—reportedly \$60 million worth, most shipped through Israel—in hopes of winning the release of U.S. hostages in Lebanon. The administration says this isn't so, but it had better prove it.

The motive was humane: to save lives. Yet President Reagan has derived political advantage by pretending to have a special ability to withstand public pressure and coolly serve the national interest in the face of terrorists and hostage-holders. It appears that this has been just an act. If that's so, it undercuts his reputation both for strength and for telling the truth as best he knows it. His enemies think he has always dealt in rosy fictions, if not outright falsehoods. The Democrats, now in control of both houses of Congress and sensing the chance to unmask their nemesis at last, are planning any number of hearings and investigations. The press, sensing that Reagan's damned Teflon is finally scratched, is boring in.

Democrats and the press were after Lt. Col. Oliver North of the National Security Council as the agent used for skirting congressional restrictions (since repealed, but perhaps not for long) on aid to the Nicaraguan *contras*. Now they can go after him for helping funnel arms to Iran. The NSC is also vulnerable, legitimately, for the botched effort at "disinformation" directed at Libya's Colonel Qaddafi.

There is a serious and potentially dangerous tendency at work here. It looks as though the NSC staff has caught a whiff of the "executive action" disease that afflicted several White Houses in the pre-Watergate era. Whenever it was politically risky or just inconvenient to trust Congress, the State Department, or even the CIA, they resorted to covert derring-do, John Buchan stuff, to get their work done. Sometimes such activity is merited. Persisted in, it inevitably leads to big trouble.

THERE IS A pattern of incompetence to Reagan's recent foreign policy behavior. After the Iceland summit, the administration could not get its story straight. The "disinformation" flap made the administration look foolish. And, merited or not, there is a suspicion that the Reagan White House has played some politics with foreign policy. The offer to sell subsidized grain to the Soviets certainly was an effort to save some Midwest Senate seats. Will Democrats probe to see whether former national security adviser Robert McFarlane was sent to Tehran in September to produce a pre-election "October surprise"? Will they ever.

However much Reagan will be made to suffer by Democrats in Congress, worse damage will be done to his credibility with the European allies, moderate Arabs in the Persian Gulf, and the American people. Margaret Thatcher, who backed Reagan on the Libya bombing, was embarrassed by the Iran disclosures just as she tried to convince fellow Europeans to invoke sanctions against Syria; she

succeeded in spite of us. The United States is not more abject than France, which coddles terrorists almost indiscriminately, but we certainly look hypocritical. Getting the Europeans to join us in concerted action against terrorism is going to be much harder.

The Gulf Arabs have been terrified that Iranian fundamentalism will topple their feudal regimes. They can't seriously believe that the United States *favours* an Iranian victory, but trading arms for hostages suggests again that the United States is not as strong as it pretends to be, and this adds to their fright. We also appear to be incapable of taking action independent of Israel, which does tilt toward Iran in order to undercut Iraq.

Finally, if it develops that Reagan has been trading for hostages after saying for so long that he wouldn't, his word will never be fully relied upon by the American people again. He has built up a reservoir of affection and trust. But his ability to lead will have been hurt. Top White House officials claim to understand the danger, but they have not yet found an effective way to deal with it. White House chief of staff Donald Regan just says that history will show that the administration has done the right thing, and meanwhile everyone should please shut up because hostages' lives are still involved. The administration can do better than that. It can at least brief trustworthy congressional leaders. If the administration had a case, they could say so without endangering an ongoing operation.

At the moment, administration officials are offering up mitigation, not proof of innocence. Officials say, first, that whatever weapons the United States might have allowed to get to Iran (and whatever Israel supplied) could not possibly tip the balance in the stalemated Gulf war. Iraq has a 5-to-1 advantage in tanks and artillery and an 8-to-1 advantage in aircraft. Iran has more manpower (its population is three times Iraq's), but Iraq has 60 percent of its male population mobilized, so the armies are of almost equal size. The long-feared Iranian "final offensive" has never come off because, administration experts think, Iran is far short of the 3-to-1 overall advantage an attacker needs to win. Iran's only chance at victory lies in a collapse of Iraqi morale, which the United States presumably has little to do with.

SECOND, the administration says, the United States made contacts with Iran primarily for strategic reasons, not to get hostages out. It's important for Iran to remain an independent buffer between the Soviet Union and the Gulf, and there are elements inside Iran's ruling hierarchy—"not moderates, but relative pragmatists"—who want to reduce their country's economic and political isolation. This group is widely believed to be led by Akbar Rafsanjani, speaker of Iran's Parliament, who is at odds with the Ayatollah Khomeini's chosen successor, Hussein Ali Montazeri. A relative of Montazeri, Mehdi Hashemi, was recently arrested for treason, which the administration took as a good sign for the post-Khomeini future. Hashemi was the man in charge of

spreading the Shiite revolution to other countries.

Opponents of the NSC gun-running policy say the United States had to know that its activities would come to light eventually and would embarrass the very faction the United States was trying to woo. The leak came first in a pro-Syrian newspaper in Lebanon (presumably because the Syrians were angry that they weren't getting credit for securing the release of hostages) after a tip from Montazeri militants. White House officials acknowledge that the publicity probably has embarrassed Rafsanjani, but they are pleased to note that he is still saying he would welcome better relations with the United States if it would just change policy.

ATHIRD LINE of defense is that Iranian-inspired terrorism against Western targets has declined recently. Even opponents of administration policy acknowledge that recently seized American hostages in Lebanon do not seem to have been grabbed by groups identified with Iran. However, these officials claim that there has been no letup in terrorism directed against Middle East targets.

Finally, sources involved with the White House policy simply declare, as one of them put it, that "this was not an arms-for-hostages deal. I know it's difficult to believe it because you see arms going into the machine and see hostages coming out, but there's more to it than that. I guarantee you that neither Bud McFarlane nor I would be party to such a thing." Such officials hint that some "secret deal" was involved leading to a change in Iranian policy on terrorism. To demonstrate goodwill, the Iranians got their friends to release U.S. hostages and the United States got its friends to provide some spare parts. "Believe me," said one source, "the intent behind all this was good and serious, but we can't talk about it because people's lives are at stake."

Maybe so, but other U.S. officials say flatly that the White House is lying. They say that contacts with the Iranians may have started for strategic reasons, but quickly devolved into a guns-for-hostages trade. One suspects that some of these officials are miffed that the Reagan administration has been unwilling to deal with Syria on an equal basis with Iran, but others seem truly offended that the administration has abandoned its proclaimed anti-terrorist policy and has gotten practically nothing in return. "It's a dream world to think you're going to provide some military equipment and change Iranian policy. You've got two factions in Iran playing against each other and we're just the pawn."

So, whom to believe? On one side, national security adviser John Poindexter and chief of staff Regan, saying "trust us." On the other, Secretary of State Shultz, nothing if not a moralist, letting it be known he opposed the White House policy. Congress needs to step in and find out the truth—quietly, at first, if that's necessary. After all, there really are innocent people's lives at stake here.

MORTON KONDRACKE

TROUBLE IN TEHRAN

Iran's Ayatollah Khomeini and his former prime minister, Mehdi Bazargan, have been conducting a rancorous and, to the uninitiated, obscure public debate. They have been arguing about a treaty signed by the Prophet with Arab tribes in seventh-century Arabia; the challenge Moses posed to Pharaoh; and the death and martyrdom of Imam Husain, the third of 12 leaders especially revered by Iran's Shiites, in 680.

But this debate has aroused considerable interest in Iran. For the two men are in fact arguing about current issues: whether Iran should seek military victory or a negotiated settlement in its six-year-old war with Iraq; whether it should export its Islamic revolution and champion the cause of the world's disinherited classes against the powerful and the exploiters; and whether it should seek good relations with the "world-devouring" great powers. Bazargan has called into question Khomeini's autocratic style of leadership and his militant vision of Islam. He has posed both a religious and a political challenge to the regime. Like Khomeini, he argues in the language of Islam, for political and religious issues have been inextricably intertwined in the Islamic republic.

Bazargan resigned his post as prime minister in November 1979, after the seizure of the U.S. Embassy in Tehran. He has been the most outspoken critic inside the country of Khomeini's policy of pursuing the war against Iraq until President Saddam Hussein is overthrown. Bazargan has urged negotiations. In August Khomeini sharply criticized Bazargan's views. Bazargan replied in an open letter addressed to Khomeini issued under the name of his political organization, the Iran Freedom Movement. The letter has been circulating semi-clandestinely.

For Khomeini the war with Iraq is a war of Islam against unbelief. He has ruled out negotiations because "Islam does not allow peace between a Moslem and an infidel." Those who urge compromise with "infidels, oppressors, tyrants, and idol-worshippers"

are either weak-hearted or traitors. An end to hostilities would only involve Iran in an arms race that Saddam would win, given Iraq's access to both Western European and Soviet bloc arms and the denial of arms to Iran. Khomeini's goal of an Islamic government established at Baghdad is now downplayed, but the aspiration continues to motivate Iran's radical elements, in the Revolutionary Guard, among the clerics, and elsewhere. "War, war until victory"—the slogan thundered out at political rallies and mass Friday prayer meetings—encapsulates the government's official position.

Bazargan has described this as a formula for "war, war until self-annihilation." He points to the futility of the war now that Iraqi troops have been expelled from Iranian territory, and stresses the terrible cost in lives and physical destruction. He denies that Islam justifies waging aggressive war against another Moslem state, and depicts the conflict as "a war between two oppressed Moslem nations." Bazargan says that "neither Islam nor the Traditions of the Prophets" gives Iran the right to interfere in Iraq's internal affairs. He rejects the idea that revolutionary Iran is charged with a sacred, worldwide mission to struggle against oppression and unbelief.

Bazargan's letter also brings into the open a debate about military strategy. The army has been reluctant to commit large numbers of poorly trained young men in massive offensives against far better equipped Iraqi troops. These have brought territorial gains only in return for substantial human losses. The strategy is fueled by the conviction that faith will prevail over arms. Khomeini depicts the Old Testament prophets, particularly Abraham and Moses, as militant, lone warriors against idolatry and unbelief. When Imam Husain went to battle against his enemies in 680, he "did not contemplate compromise with the oppressor despite the meagerness of his numbers and his arms." In the same way, the Iranian people, in the dark days of the war with Iraq, "expelled the enemy from our beloved country by relying only on God and faith and . . . martyrdom."

Bazargan, on the other hand,

evokes a picture of the Old Testament prophets, of Jesus, Mohammed, and the Shiite Imams, as men who avoided war, entered it only with adequate preparation, and preferred persuasion and kindness to secure their ends. The Prophet, he notes, signed peace agreements with his former enemies in Mecca; Imam Husain, with his small force, died at Karbala in Iraq in his unsuccessful bid for the caliphate—not because he intended to fight with inferior numbers or to become a martyr, but simply because his plans went awry.

When Bazargan castigates Khomeini for inflexibility and for refusing the counsel of others, he again does so in Islamic terms. The issues of peace and war, he writes, are too complex for "an individual, however well-informed and discerning, who is neither infallible nor the recipient of revelation, to decide alone, without reference to the views of others." Even the Prophet, he notes, consulted with his companions, and the Prophet had the benefit of both infallibility and God's revelation. Is your authority, he asks Khomeini, "a thing higher than Prophethood?"

This challenge to Khomeini comes at a time when the economy is particularly hard hit by the war. Moreover, misgivings about the war have developed inside Khomeini's own camp. Reports this summer attributed the removal of the commander of the ground forces, Colonei Sayyad Shirazi, to doubts he expressed about the wisdom of a policy of "war until victory." Bazargan's letter confirmed rumors that members of the Cabinet and the clerics of the influential Association of the Seminary Teachers of Qum separately urged Khomeini to explore non-military options for ending the war. According to Bazargan, Khomeini told Cabinet members they could step down if they felt they were not up to the task of continuing the war. And he is supposed to have told the seminary teachers: "Do not speak of peace and the end of the war as long as I am alive. After that, do whatever you want."

SHAUL BAKHASH

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HEADLINE: Israel Is Not Scapegoat, U.S. Assures Shamir;
White House Conveys Message on Iran Arms

BYLINE: Glenn Frankel, Washington Post Foreign Service

DATELINE: JERUSALEM, Jan. 12, 1987

BODY:

The Reagan administration has told Israeli Prime Minister Yitzhak Shamir that it does not hold Israel responsible for the Iran arms affair and is not seeking to shirk responsibility by blaming Israel for leading it into the secret exchange of arms for U.S. hostages.

A spokesman for Shamir said tonight that U.S. Ambassador Thomas Pickering conveyed this conciliatory oral message to the prime minister "in the name of the White House," although not specifically from President Reagan. A U.S. Embassy official confirmed that the message had been given at a meeting between the two men yesterday.

Pickering told Shamir that "the United States has no intention either to blame Israel or to throw any responsibility onto Israel" and that America "was not trying to hide behind Israel in what is its responsibility," said Avi Pazner, Shamir's spokesman.

The American official added that the ambassador had sought to "reassure the Israelis that the various investigations in the United States were designed to get the facts" about the Iran affair "and not an effort to make Israel a scapegoat for decisions made by Washington."

Confirmation of the message follows three days of press disclosures here alleging that Israeli officials had initiated the arms-for-hostages exchange, served as conduit for the secret flow of weapons to Tehran and pressed reluctant White House aides to continue with the dealings even after it appeared they were not succeeding.

It has also been alleged that the idea of funneling profits from the arms sales to the anti-Sandinista rebels in Nicaragua was first proposed by a senior aide to then Israeli prime minister Shimon Peres.

The allegations are attributed to a confidential draft report of the Senate Select Committee on Intelligence, detailed portions of which have been disclosed here by Washington-based Israeli correspondents.

Another factor leading up to today's development was the release by the White House last week of a memorandum, drawn up in January of last year by the then national security adviser John Poindexter, which characterized the Iran affair as an "Israeli plan" designed to promote "moderate" elements in Tehran.

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Israeli officials have repeatedly denied they were the instigators or promoters of either the Iran arms scheme or the plan to funnel profits to the Nicaraguan rebels. But the new disclosures and allegations have unleashed a flood of press reports and criticism here. There even have been suggestions in the Israeli press that Shamir should cancel a trip to Washington planned for mid-February because of the hostile reception he might receive.

Yesterday's message was similar to a written one sent by President Reagan to Shamir nearly two months ago reaffirming American support for Israel after Reagan and Attorney General Edwin Meese III had accused the Israelis publicly of diverting profits from the arms sales to the Nicaraguan rebels.

This time, the message was oral and not conveyed in the name of Reagan, but Israeli sources welcomed it as an indication that the special relationship between the two countries remains intact.

Throughout two months of public disclosures, Israeli officials have maintained public restraint, avoiding comment when possible and being careful not to criticize the administration overtly, despite the growing feeling here that Israel was being set up by desperate administration officials to take the blame for the affair.

This restraint, senior officials here have confirmed, was part of a game plan laid out in the early days of the disclosures to avoid rupturing Israel's intimate U.S. ties. "There is no point in getting in a mud-slinging match with the White House -- Israel can only lose," said a senior Israeli official.

Thus the Israelis welcomed Pickering's message as confirmation that the White House also wants to avoid long-term damage to the bilateral relationship.

"We did not ask for this, but obviously we are very happy to receive it," said another senior official. "Our position on this matter has been very clear and we have all the time the impression that someone has been trying to make us into a scapegoat. This message from the White House puts it in the right perspective."

Nonetheless, Israeli officials are still aware that they are treading in a potential minefield and that further disclosures could lead to a sharper breach with Washington. There also are divisions over how much Israel should cooperate with federal investigations into the affair.

While promising "full cooperation," officials here stress that they will not allow Israelis involved to testify in U.S. courts or before congressional investigatory panels. At most, investigators may be allowed to question some individuals here in Israel, but only under strict ground rules, officials have indicated.

Pazner said calls for Shamir to cancel his planned Washington visit were "utter nonsense. The prime minister is certain he will be welcomed in Washington."

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