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## Israeli Agency in the Iran-Contra Affair

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Israeli Agency in the Iran-Contra Affair

By Eugene Smith

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in

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History

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## Introduction

In the global political scandal that became known as the Iran-Contra Affair, various American diplomats were caught secretly and illegally selling weapons to Iran and using those funds to support anti-communist militias in Nicaragua. On the 9<sup>th</sup> of July 1987, Lieutenant Colonel Oliver North gave his opening statement to the Joint Iran-Contra Congressional Committee in the first of many televised hearings that would follow:

One thing is, I think, for certain: that you will not investigate yourselves in this matter. There is not much chance that you will conclude at the end of these hearings that... the Administration acted properly by trying to sustain the freedom fighters in Nicaragua when they were abandoned. And you are not likely to conclude by commending the President of the United States, who tried valiantly to recover our citizens and achieve an opening with strategically vital Iran.

I would not be frank with you if I did not admit that the last several months have been very difficult for me and my family. It has been difficult to be on the front pages of every newspaper in the land day after day, to be the lead story on national television day after day, to be photographed thousands of times by bands of photographers, who chase us around since November just because my name arose at the hearings...

But I am going to walk from here with my head high and my shoulders straight because I am proud of what we accomplished. I am proud of the efforts that we made. And I am proud of the fight that we fought. I am proud of serving in the Administration of a great President.<sup>1</sup>

This speech perfectly personifies the discourse in which the Iran-Contra affair has been embedded, featuring a flawed but noble character willing to break the law in order to prove his unshakeable dedication to his country and president. The Iran-Contra affair is usually followed by parentheses that state '(1985-1987),' as if to suggest that the scandal had no significant background prior to 1985 or repercussions after 1987. It has largely been treated as an American domestic political scandal that was uncovered in the mid-1980s and then solved by the Congressional hearings of 1987. This perspective not only ignores the military and political ramifications of the affair in Nicaragua and Iran, but also omits one of the most

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<sup>1</sup> Oliver North, "Opening Statement to Joint Iran Contra Congressional Committee." American Rhetoric: Online Speech Bank, 1986, <http://www.americanrhetoric.com/speeches/olivernorthfrancontrahearing.htm>.

important actors in this international arms trade: Israel.

The historical literature concerning Israel's role in the Iran-Contra affair is minimal. On the surface, the lack of material written on the Israeli contribution to Iran-Contra suggests that it was only a minor middleman. However, in examining the history of Israel's international arms dealing, it becomes apparent that Israel played a significant role in Iran-Contra. Israel's role as an arms salesman dates back to the 1950s in Iran and the 1930s in Nicaragua; its investments in Central America and Iran were just as significant as American investments; and in many instances, the United States based their policies on a precedent that Israel had already set.

Israeli agency was crucial in moulding and creating the circumstances under which the Iran-Contra Affair emerged.

### **Background History of Nicaragua**

#### American interventions in Nicaragua 1936-1979

After 1848, the United States made a practice of intervening militarily in Nicaragua and other Latin American countries under the rhetoric of Manifest Destiny and "Dollar Diplomacy."<sup>2</sup> Manifest Destiny was the belief that the US would and should expand its borders across the continent in order to spread the fruits of its so called "democratic" civilisation. Once the boundaries of the US reached the Pacific Ocean, the country began to expand towards its southern neighbours. However, instead of annexing territory, the US used military interventions and threats of force against various governments in the Western Hemisphere to allow friendly conditions for American companies to invest in a policy that

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<sup>2</sup> Karl Bermann, *Under the Big Stick: Nicaragua and the United States Since 1848* (Boston: South End Press, 1986).

become known as “Dollar Diplomacy.”

Although the US economy and its companies benefited greatly from expansion in the Western Hemisphere, most Latin American citizens remained in poverty with the exception of the elites who collaborated with outside interests.<sup>3</sup> Throughout Latin America and particularly Central America, armed protests against pro-American business elites occurred almost every year between 1898 and 1936.<sup>4</sup> The United States often resorted to military force to quell these rebellions, and imposed friendly authoritarian leaders to maintain unlimited access to Central America’s gold, fruit, and shipping lanes.<sup>5</sup>

Nicaragua, in particular, proved a significant sources of US investments, particularly after 1909, when the US introduced a garrison of a few hundred troops to surround the US embassy.<sup>6</sup> American general Smedley Butler characterised the deployment in his diaries from 1909 to 1912. As he put it: “everybody was happy, the Gold mines and fruit companies operated unmolested, and canal schemes were plotted all over the country for years.”<sup>7</sup> Butler’s troops were there to ensure that these companies were to remain ‘unmolested,’ he wrote.

In 1926, after multiple leadership changes in Nicaragua, a young revolutionary general Augusto Nicolas Sandino, revolted against American corporate and military control in

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<sup>3</sup> Due to the frequency of US interventions, Central America held very little economic and military autonomy. The Panama Canal, constructed in 1914, was the ultimate symbol of American economic supremacy. The Panama Canal was paid for by American investors and built by indigenous labour. The canal and a zone of 8km around it were to remain a US overseas territory until 1999 as stated in the 1977 Torrijos Carter Treaties. The US wanted to safeguard its investments in Panama as well as maintain its role as a dominant supervisor for economic development and industrialisation.

<sup>4</sup> Bermann, *Under the Big Stick*.

<sup>5</sup> Sklar, Holly. *Washington's War on Nicaragua*. (Boston, MA: South End, 1988) 2.

<sup>6</sup> Sklar, *Washington's War on Nicaragua*, 3.

<sup>7</sup> Major General Smedley D. Butler, “America’s Armed Forces,” Part 3, “‘Happy Days Are Here Again’: The Navy,” pp. 13-14. 1935.

a bloody six-year guerrilla war. This contributed to a temporary expulsion of American troops in 1933.<sup>8</sup> Sandino's victory immortalised him throughout Latin America as a symbol of resistance against American imperialism.<sup>9</sup> His grand reputation was not only due to his military prowess, but also due to his economically modest background as a 'common man.' Sandino's speeches were widely circulated, especially in Mexico, and paintings of his stories were romanticised by artists throughout the region. This inspiration carried on into the 1970s where the Sandinistas would name their organisation after Sandino.

However, Sandino's victory was short lived; he was assassinated in 1934 by pro-US rebels armed with American guns.<sup>10</sup> Sandino was replaced by General Anastasio Somoza Garcia whose National Guards came to power in 1936.<sup>11</sup> Somoza, nicknamed El Yanqui for his Philadelphia bred English, was seen by the majority of Nicaraguans as an American puppet and despot.<sup>12</sup> His political opponents were subjected to electrical shocks, repeated near-drownings, imprisonment in coffin-sized cells, or incarceration in the Somoza's personal zoo alongside lions and panthers.<sup>13</sup> In 1956 he declared "I'll give this country peace, if I have to shoot every other man in Nicaragua to get it."<sup>14</sup> Somoza's successors, first his brother and then his son, proved to be just as brutal and pro-American. Somoza Debayle declared that he was more comfortable speaking English than Spanish and that he knew "the

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<sup>8</sup> American troops were already scheduled to pull out in 1933, but Sandino's constant fighting against the US presence gave his supporters the impression that he was the primary reason why the US retreated.

<sup>9</sup> Sklar, *Washington's War on Nicaragua*, 4.

<sup>10</sup> Knut Walter, *The Regime of Anastasio Somoza*, (Univ. of North Carolina Press 1993).

<sup>11</sup> Sklar, *Washington's War on Nicaragua*, 5.

<sup>12</sup> Bermann, *Under the Big Stick*, 219-226.

<sup>13</sup> John, Booth, *The End and the Beginning: The Nicaraguan Revolution*, (Boulder, CO: Westview Press, 2<sup>nd</sup> ed. 1985).

<sup>14</sup> Alejandro Bendana, "Crisis in Nicaragua," *NACLA Report on the Americas*, November-December 1978, p. 2, citing *Time*, October 8 1956.

US better than my country.”<sup>15</sup> He and his brother were fiercely anti-communist and supported American “containment” around the world.<sup>16</sup> The Somozas allowed the US to launch troops from Nicaraguan soil to invade Cuba in the Bay of Pigs in 1961, offered to send troops to Vietnam, sent troops alongside the US in the 1965 invasion of the Dominican Republic, put US Ambassador Turner Shelton on the 20 Corboda Bill (equivalent to 3 USD), and donated \$1 million to Richard Nixon’s re-election campaign in 1972.<sup>17</sup>

### Israel’s relationship with Somoza 1939-1979

The United States was not the only close ally of Somoza. Starting in 1939, Somoza developed a very strong relationship with what would become the state of Israel. During the beginning stages of World War Two, Somoza provided agents with diplomatic covers necessary for the selling of arms to the Haganah, the Zionist military force in mandate Palestine. The Haganah needed arms not only to fight the Axis but also to combat both the British and the Arabs after the war. Some splinter groups such as the Irgun started attacking the British with Nicaraguan arms as early as late 1944.<sup>18</sup> In 1947, the Haganah paid Somoza over \$200,000 and a large diamond for arms and passports needed by Haganah dealers to buy weapons from other European countries.<sup>19</sup> The Haganah were instrumental in expanding the

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<sup>15</sup> Robert A. Pastor, *Condemned to Repetition: The United States and Nicaragua* (Princeton, NJ: Princeton University Press, 1987), p. 54.

<sup>16</sup> Abraham Lowenthal, “The United States and Latin America: Ending the Hegemonic Presumption,” *Foreign Affairs*, October 1976.

<sup>17</sup> Walter LeFeber, *Inevitable Revolutions: The United States in Central America* (New York: W.W. Norton & Co., 1984), p. 226, citing Diederich, Somoza, pp. 88-89. John Huey, *Wall Street Journal*, February 23, 1978.

<sup>18</sup> Edy Kaufman, Yoram Shapira and Joel Barromi, *Israel-Latin American Relations* (New Brunswick, NJ: Transaction Books, 1979), p. 108. See also *Newsweek*, November 20, 1978, p. 68; Bishara A. Bahbah, *Israel and Latin America: The Military Connection* (New York: St. Martin’s Press, 1986), p. 132, and *Israeli Foreign Affairs* 1/1 (December 1984), p. 3.

<sup>19</sup> Jane Hunter. "Israeli Arms Sales to Central America: An Overview." WRMEA. January 1987. Accessed December 2, 2015 <http://www.wrmea.org/1987-january/israeli-arms-sales-to-central-america-an-overview.html>.



borders of the UN partitioned Jewish territory into the modern state of Israel in 1948; and Nicaragua was one of the first countries to support the creation of a Jewish state via partition.<sup>20</sup>

Starting in the mid to late 1950s, the dynamics of the relationship between Nicaragua and Israel changed as Israel became the primary seller of arms to Somoza. Israel referred to Managua as a part of their 'special relationship.'<sup>21</sup> In February 1957, a Nicaraguan delegation to Israel negotiated a \$1.2 million arms deal with Shimon Peres who was the director general of the Israeli Defence Ministry.<sup>22</sup> According to the Stockholm International Peace Research Institute (SIPRI), by the 1970s Israel accounted for 98% of Nicaragua's arms imports.<sup>23</sup> This included tanks, light aircraft, armoured cars, ammunition, and automatic rifles.<sup>24</sup> In early 1978, Somoza changed his National Guard's standard arms from the American Garand M-1, to the modern Israeli Galil assault rifle.<sup>25</sup> Some members of the National Guard were also armed with Israeli made lightweight UZI submachine guns.<sup>26</sup> In

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<sup>20</sup> "United Nations General Assembly Resolution 181." - Wikisource, the Free Online Library. November 29, 1947. Accessed November 16, 2015.

[https://en.wikisource.org/wiki/United\\_Nations\\_General\\_Assembly\\_Resolution\\_181](https://en.wikisource.org/wiki/United_Nations_General_Assembly_Resolution_181).

<sup>21</sup> Sadowski Yahya, "Israel in Central America | Middle East Research and Information Project." Israel in Central America | Middle East Research and Information Project. 2015. Accessed January 28, 2016.

[http://www.merip.org/mer/mer140/israel-central-america?ip\\_login\\_no\\_cache=464c22e0a4d61c4ee9adf8fa931c1154](http://www.merip.org/mer/mer140/israel-central-america?ip_login_no_cache=464c22e0a4d61c4ee9adf8fa931c1154).

<sup>22</sup> Matti Golan, *Shimon Peres: A Biography* (New York: St Martin's Press, 1982), 81.

<sup>23</sup> Other sources report that during this period the US remained the major provider of arms and training to Somoza's National Guard. See Marc Edelman, "Lifelines: Nicaragua and the Socialist Countries," *NACLA Report on the Americas* 19/3 (May-June 1985), p. 37 and *Newsweek*, November 20, 1978, p. 68. The SIPRI information is from *World Armaments and Disarmament: SIPRI Yearbook 1980* (London: Taylor and Francis, 1980), p. 96.

<sup>24</sup> "Nicaragua 201 Israel." Nicaragua 201 Israel. Accessed August 14, 2015.

<http://www.cascoscoleccion.com/nicaragu/nica201.htm>.

<sup>25</sup> Bernard Diederich, *Somoza and the Legacy of US Involvement in Central America*. (New York: Dutton, 1981), 216.

<sup>26</sup> Ibid.

January 1979, a group of American diplomats expressed concern over Somoza's military overconfidence, that "one reason Somoza was so cocky in resisting pressures to resign was the knowledge that Israel, which had been a full-time arms salesman working the countries of the Caribbean Basin, could and would supply whatever the National Guard needed."<sup>27</sup>

Although Nicaragua was Israel's biggest ally in Central America, it was by no means the only one. SIPRI numbers estimate that between 1975 and 1979, 83% of El Salvador's defence imports were from Israel including chemical weapons such as napalm.<sup>28</sup> El Salvador's infamous secret police ANSESAL, as well as Guatemala's death squads who were responsible for the ethnic cleansing of its Mayan population, were all supplied by Israeli and American weapons.<sup>29</sup> By 1979, Israel had a global reputation as a large-scale arms dealer, not only did it supply more arms to the Somoza regime than the United States, but also rivalled the US in supplying weaponry to Argentina, Honduras, Chile, Brazil, Taiwan, Portugal, Spain, and South Africa.<sup>30</sup> The US was primarily involved in controlling Nicaragua's agricultural and gold production while Israel was primarily involved in supplying weapons; and when Nicaragua started to implode with revolutionary unrest in the mid-1970s, both countries feared the safety of their respective economic investments.<sup>31</sup>

### The rise of the Sandinistas and the overthrow of Somoza 1979

The Sandinistas, a Marxist inspired revolutionary organisation founded in 1961, sought to regain economic independence from American influence using the same tactics as

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<sup>27</sup> Shirley Christian. *Nicaragua: Revolution in the Family*. (New York: Random House), 92.

<sup>28</sup> SIPRI, p. 97. See also Los Angeles Times, July 29, 1981. Klieman (*Israel's Global Reach*, p. 134)

<sup>29</sup> Hunter. "Israeli Arms Sales to Central America: An Overview."

<sup>30</sup> Sklar, *Washington's War on Nicaragua*, 21.

<sup>31</sup> Thomas W. Walker, *Nicaragua, the Land of Sandino* (Boulder, CO: West View Press), 38.

Sandinista. However, the Sandinistas did not gain widespread support among the population until a devastating earthquake in 1972. When news emerged of National Guardsmen selling donated relief goods from abroad and preventing aid from being dispersed to the population, support for the Sandinistas swelled into an armed revolution.<sup>32</sup> An extremely bloody civil war arose and Somoza responded by using a death squad named the Anti-Communist League, which was notorious for widespread torture, rape, killings, mass arrests, and disappearances.<sup>33</sup>

Despite the destruction in Nicaragua, American advertisements still treated Nicaragua in the way Smedley Butler had described in 1909. On May 31 1977, the *Wall Street Journal* ran a two-page advertisement titled “Nicaragua: An Investor’s Dream Come True.”<sup>34</sup> The US Department of Commerce predicted that “Nicaragua will continue to enjoy political stability and a bright economic future.”<sup>35</sup> However, the extreme violence of the regime started to turn some liberal American politicians against Somoza, and President Jimmy Carter started to pressure Somoza to improve his human rights record.<sup>36</sup> These efforts to liberalise Somoza were too little and too late and the Sandinistas came to power in July 1979, and the US and Israel lost an important ally.<sup>37</sup> As similar revolutions threatened to break out throughout Central America, Israel was concerned that its market for weapons would dry up while the US was worried that a power vacuum would let the Soviet Union

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<sup>32</sup> Sklar, *Washington's War on Nicaragua*, 9.

<sup>33</sup> Ibid.

<sup>34</sup> Noam Chomsky and Edward S. Herman, *The Washington Connection and Third World Fascism* (Boston: South End Press, 1979), 283-84.

<sup>35</sup> Ibid.

<sup>36</sup> Sklar, *Washington's War on Nicaragua*, 15.

<sup>37</sup> Peter Kornbluh. “The US Role in the Counterrevolution” in *Revolution & Counter Revolution in Nicaragua*, ed. Thomas W. Walker (Boulder: Westview Press, 1992), 324.

spread communism in their ‘backyard.’<sup>38</sup> Meanwhile, a similar revolution with a similar history was going on halfway around the world in Iran.

### **Background history of Iran**

#### British and American interventions in Iran 1945-1953

During the nineteenth century, Qajar power faced significant decline in the face of growing Russian and British imperial influence. Iran was invaded by Commonwealth and Russian/Soviet forces during both world wars due to its economic ties to Germany as well as their longstanding economic ambitions in Iran.<sup>39</sup> Each occupation produced concessions for British, Russian, and later American, oil companies. The most infamous of these corporations was the Anglo-Persian Oil Company, known today as British Petroleum, which operated the world’s largest refinery with virtual independence from the state.<sup>40</sup> The company owned its own roads and airports and negotiated with other entities without state approval.<sup>41</sup> Iran’s oil fields were vital to its economy; more workers were employed in the oil fields than in all other industries combined.<sup>42</sup> British control over these industries was so total that it effectively denied sovereignty to the Iranian economy.<sup>43</sup> Iranians fiercely objected to having

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<sup>38</sup> Mauricio Solaun, *U.S. Intervention and Regime Change in Nicaragua*. (Lincoln: University of Nebraska Press, 2005). Notes. Bibliography. Index. xii, 391. See more in *Hispanic American Historical Review* (215): <http://hahr.dukejournals.org/content/87/1/180.full.pdf+html?sid=0a47e57c-3b64-485c-891e-8de52975e866>.

<sup>39</sup> Nikki R. Keddie & Yann Richard, *Modern Iran: Roots and Results of Revolution* (New Haven: Yale University Press 2003) 101.

<sup>40</sup> Keddie & Richard, *Modern Iran*, 102.

<sup>41</sup> William Cleveland and Martin Bunton, *A History of the Modern Middle East* (Boulder, 2009).

<sup>42</sup> M. W. Thornburg, “An Economic Study of the Near East with Particular Reference to Oil Revenues (unpublished study, 1944), 25-29.

<sup>43</sup> Keddie & Richard, *Modern Iran*, 101.

no say in the company, no right to see its books, and to pay high prices for their own oil.<sup>44</sup>

In the post-WWII era, as anger rose over ongoing British imperialism, Iranians overwhelmingly voted for Mohammed Mosaddegh's National Front into power in 1951.<sup>45</sup> Mosaddegh's declaration nationalising the Anglo-Persian oil companies easily won him support from a diverse political spectrum, including the secular and religious ulama populations.<sup>46</sup> Britain, already in a state of global decline, did not want to lose access to Iran's resources and convinced the United States that Iran was on the verge of a communist revolution under the guidance of the Soviet Union and the Tudeh party, a socialist political organisation formed in 1941.<sup>47</sup> In 1953 the CIA and MI6 orchestrated a joint *coup d'état* that removed Mosaddegh from power and reinstated the Shah of Iran as an absolute monarch.<sup>48</sup> A year after the coup, the company signed another agreement with the Shah's government that gave over control of oil production, marketing, and 50% of the profits, to foreign cartel companies.<sup>49</sup> The Anglo-Iranian Oil Company could once again conduct business as it had always done.

### The Shah and the Iranian Revolution 1953-1980

The Shah, now granted complete authority over the country, cracked down on political opposition and enjoyed over \$200 million in American loans for military equipment from 1953 to 1963.<sup>50</sup> The Shah's authoritarianism was conducted largely through the use of

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<sup>44</sup> Keddie & Richard, *Modern Iran*, 123.

<sup>45</sup> Keddie & Richard, *Modern Iran*, 124

<sup>46</sup> Elwell-Sutton, L. P. *Persian Oil: A Study in Power Politics*. (Westport, CT: Greenwood 1975) Ch. 13-14.

<sup>47</sup> Keddie & Richard, *Modern Iran*, 107.

<sup>48</sup> Ervand Abrahamian, *A History of Modern Iran* (Cambridge: Cambridge University Press 2008) 154.

<sup>49</sup> Keddie & Richard, *Modern Iran*, 130.

<sup>50</sup> H Algar, "The Oppositional Role of the Ulama in Twentieth-Century Iran," in N.R. Keddie, ed., *Scholars*,

SAVAK, a secret police with American and Israeli advisers, who brutally tortured and executed those who publicly opposed the state's rule.<sup>51</sup> Structurally, a two party state existed but in reality it was a thin veil that covered up the Shah's dictatorship.<sup>52</sup> Some referred to the system as the 'yes' and 'yes sir' parties.<sup>53</sup>

During the early 1960s, a man named Ruhollah Khomeini started to openly criticise the Shah's relationship with the United States and Israel, as well as the regime's overall corruption and granting of capitulations to foreigners.<sup>54</sup> Khomeini was an Iranian scholar and lecturer who started his political career by critiquing the Shah's White Revolution of 1963 that sought to westernise and industrialise Iran. Khomeini's criticisms led to his arrest by SAVAK officials later that year. By then, Khomeini had become a well-known political commentator, and news of his arrest caused uproar and protests. The demonstrations were violently suppressed by the military and caused thousands of deaths. Khomeini lived the next fifteen years in exile in Turkey, Iraq, and France, where he continued preach against the Shah's rule and spread his political philosophy.<sup>55</sup> Cassette tapes containing his recorded lectures were smuggled into Iran where hundreds of thousands listened to them secretly.<sup>56</sup> Khomeini believed in using Islamic principles to mobilise the masses and apply them to contemporary issues. Despite Khomeini's emphasis on Islam, he gained widespread secular

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Saints, and Surfs (Berkeley and Los Angeles 1972) page 246.

<sup>51</sup> Keddie & Richard, *Modern Iran*, 147.

<sup>52</sup> Ervand Abrahamian, *The Iranian Mojahedin* (New Haven: Yale UP 1989) 25.

<sup>53</sup> Cleveland & Bunton, *A History of the Modern Middle East*.

<sup>54</sup> Abrahamia. *The Iranian Mojahedin*.

<sup>55</sup> Keddie & Richard, *Modern Iran*, 148.

<sup>56</sup> Ervand Abrahamia, *Iran between Two Revolutions* (Princeton: Princeton University Press 1982).

support.<sup>57</sup>

Meanwhile, the Shah's continued obsession with western products and unpopular reforms undermined his support throughout the nation. His 1963 White Revolution did benefit some members of the population through industrialisation, women's rights, healthcare, and literacy, but it undercut the rural bazaari economy, and maintained the British-American oil oligopoly.<sup>58</sup> The Shah mishandled the 1973 OPEC boycott by throwing huge sums of money into the economy, causing inflation and shortages. Meanwhile, the Shah boasted of turning Iran into one of the world's "five great powers with average incomes equal to the best."<sup>59</sup> In addition, the Shah's immense personal expenses outraged the middle and lower classes. In 1971, the Shah celebrated Iran's pre-Islamic past by commemorating '2,500 years of monarchy' with lavish events costing over 20 million dollars.<sup>60</sup> This celebration was accompanied by jumping from the Muslim year of 1355 to the royalist year 2535 which irritated Iran's religious population.<sup>61</sup> Other stories of the Shah circulating amongst the public, including tales of flying in wine straight from France, greatly contributed to the rapid decline in support during the 1970s. Islamists felt themselves being westernised by the Shah's secular policies including the employment of over 60,000 foreign technicians and military advisers by 1977.<sup>62</sup> In addition, the funding of the Shah's army, and particularly the air force, by the United States, made many members of the public draw a direct connection with the US

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<sup>57</sup> Cleveland & Bunton, *A History of the Modern Middle East*.

<sup>58</sup> Keddie & Richard, *Modern Iran*, 168.

<sup>59</sup> Keddie & Richard, *Modern Iran*, 163.

<sup>60</sup> Keddie & Richard, *Modern Iran*, 167.

<sup>61</sup> Abrahamia. *The Iranian Mojahedin*, 26.

<sup>62</sup> Cleveland & Bunton, *A History of the Modern Middle East*.

and the Shah's ability to repress protest.<sup>63</sup> By the late 1970s, most Iranians saw the Shah as a western puppet with no interest in the population. In 1975, Amnesty International branded Iran as having one of the worst human rights records on the planet.<sup>64</sup>

Protest turned into revolution during the end of 1977. The death of Ruhollah Khomeini's son, Mostafa, was followed by Khomeini's call for forty days of mourning. The mourning turned into protest which was suppressed violently. This resulted in another forty days of mourning which was also bloodily repressed. This forty-day cycle repeated several times and resulted in protests involving tens of thousands in multiple cities across the country.<sup>65</sup> By 1979, the Shah fled into exile and Khomeini returned to Tehran and was greeted by an estimated two million people.<sup>66</sup>

News of the Shah being admitted in the United States for cancer treatment sparked a new phase of the revolution. Outraged students stormed the American embassy and held the staff hostage for the next 444 days which captured global headlines.<sup>67</sup> This boosted support for Khomeini but the country was still in chaos and by 1980 Iraq invaded Iran. Iraq's leader, Saddam Hussein, hoped to take advantage of Iran's revolutionary chaos and plunged the two countries into a state of bloody war that would largely result in a stalemate by 1988.

### **Israeli investments in Iran, Nicaragua, and Lebanon**

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<sup>63</sup> Middle East arms sales proposals: hearings ... Ninety-fifth Congress, second session on proposed U.S. sales of fighter aircraft to Saudi Arabia, Egypt, and Israel, May 3, 4, 5, and 8, 1978, 36. See more at: <http://catalog.hathitrust.org/Record/011338579>.

<sup>64</sup> Amnesty International, Annual Report for 1974-75 (London, 1975).

<sup>65</sup> Abrahamia. *The Iranian Mojahedin*, 31

<sup>66</sup> Cleveland & Bunton, *A History of the Modern Middle East*.

<sup>67</sup> Abrahamian, *A History of Modern Iran*, 200.



### Likud politics and the Israeli invasion of Lebanon 1977-1982

Israel viewed the Iranian Revolution with the same dismay as the United States. The Shah's Iran was Israel's biggest regional ally and one of Israel's largest clients in the weapons industry. The new right wing Likud government, which broke the Labour Party's continuous streak of victories in 1977, feared that Iran's rhetoric would translate into material support for Palestinians living in the occupied territories.<sup>68</sup> Likud's leader, Menachem Begin, looked towards Israel's neighbour in the north, Lebanon. Lebanon had fallen into a devastating civil war in 1975 and the Palestinian Liberation Organisation were launching raids into Israel from southern Lebanon.<sup>69</sup> Begin also initiated the first major wave of settlers into the West Bank. Begin felt that if the PLO could be expelled from Lebanon, then it would isolate the Palestinians in the West bank and absorb the territory more easily into the Israeli state.<sup>70</sup> Begin gave the order to invade in 1982.<sup>71</sup>

Unfortunately for Begin, the war in Lebanon proved to be extremely unpopular within Israel and around the world. The war's length, guerrilla fighting, low troop morale, and documented cases of mass civilian killings such as the infamous Sabra and Shatila massacres, reminded many commentators of the American experience in Vietnam.<sup>72</sup> The war did nothing to isolate the Palestinians in the West Bank, and the First Intifada erupted only a few years later in 1987. Even though the primary objective, to get rid of the PLO presence in

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<sup>68</sup> Kristen E. Schulze. "Israel-Lebanese Relations: A Future Imperfect?" in *Lebanon's Second Republic: Prospects for the Twenty-first century*, ed. Kail C. Ellis (Gainesville: University Press of Florida 2002) 58.

<sup>69</sup> Schulze. "Israel-Lebanese Relations: A Future Imperfect?" 28, 32.

<sup>70</sup> Cleveland & Bunton, *A History of the Modern Middle East*.

<sup>71</sup> Schulze. "Israel-Lebanese Relations: A Future Imperfect?" 34.

<sup>72</sup> Samir Khalaf, *Civil and Uncivil Violence in Lebanon: A History of the Internationalization of Communal Conflict* (Columbia University Press: New York) 44.

Lebanon, succeeded, the problem was replaced by a new organisation, Hezbollah.<sup>73</sup> This Shi'i organisation rose up in response to the Israeli invasion and received Iranian backing in the form of weapons, training, and over two billion dollars in the early 1980s<sup>74</sup>. Iran needed foreign allies to legitimise its new government and Hezbollah did so with enthusiasm despite being branded a terrorist organisation by most countries in the world.<sup>75</sup>

Hezbollah did not only concern Israel, but also the United States. In 1982, Hezbollah abducted 96 Americans and Western Europeans in Beirut. In 1983, the militant group bombed the US embassy and barracks in Beirut inflicting almost three hundred casualties.<sup>76</sup>

Hezbollah also enjoyed the full support of Syria, who also had a large stake in the ongoing civil-war.<sup>77</sup> The United States did not want Lebanon to become a puppet of Iran or controlled by the PLO.<sup>78</sup> Since Iran greatly influenced Hezbollah with their funding, the US wanted to pressure the Iranians to order Hezbollah to release the 96 hostages. Iran expressed confidence about the release of American hostages but asked for 100 TOW missiles delivered from Israel in return.<sup>79</sup> This leverage was a significant thread in the Iran-Israel-American triangle. Oliver North laid out a deal called Operation Recovery, where the US would send weapons to Iran via Israel in exchange for Hezbollah to release a French hostage:

Deliveries would commence on or about 12 December as follows:

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<sup>73</sup> Schulze. "Israel-Lebanese Relations: A Future Imperfect?" 63.

<sup>74</sup> August Richard Norton *Hizbollah of Lebanon: From Political Realism to Mundane Politics* (New York: Council of Foreign Relations 1999).

<sup>75</sup> Cleveland & Bunton, *A History of the Modern Middle East*.

<sup>76</sup> Schulze. "Israel-Lebanese Relations: A Future Imperfect?" 34.

<sup>77</sup> Schulze. "Israel-Lebanese Relations: A Future Imperfect?" 64.

<sup>78</sup> Schulze. "Israel-Lebanese Relations: A Future Imperfect?" 94.

<sup>79</sup> Robert McFarlane, cable to George Shultz, "Israeli-Iranian Contact," July 13, 1985. See more at: Malcom Byrne, *Iran-Contra. Reagan's Scandal and the Unchecked Abuse of Presidential Power* (University of Kansas Press: Kansas City 2014) 69.

H-hr: 1 707 w/300 TOWs = 1 AMCIT  
 H+10hrs: 1 707 (same A/C) w/300 TOWs = 1 AMCIT  
 H+16hrs: 1 747 w/50 HAWKs & 400 TOWs = 2 AMCITs  
 H+20hrs: 1 707 w/300 TOWs = 1 AMCIT  
 H+24hrs: 1 747 w/2000 TOWs = French Hostage<sup>80</sup>

Lebanon was now a battleground between Israel, the US, and Hezbollah, the PLO, Syria, and Iran.<sup>81</sup> The Israelis and Americans were overwhelmingly concerned with the future of the region's stability and both decided that covert operations would work better than direct military interventions.

#### Israeli incentives to partake in Iran-Contra

There were two primary incentives for Israel to partake in the Iran-Contra Affair. The first was to maintain the balance of power between Iran and Iraq so that neither country could pose a threat to Israel. The second incentive was to maintain military and economic alliances in Central America at a time when most countries in the world were severing diplomatic ties with Israel.<sup>82</sup>

Israel viewed Iran as a lesser evil than Iraq. Although Iran's revolutionary rhetoric was just as anti-Israeli as Saddam Hussein's, the Iraqi army prior to 1986 was far more

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<sup>80</sup> The plan envisioned the Israelis would ship 3,300 TOWs and 50 Improved HAWKs from their own stocks in five stages within a twenty-four-hour period. After each shipment, one or more U.S. citizens (AMCITS) would be freed. A French hostage would follow the final shipment of 2,000 TOWs. Here again, even when no hostages came out of Lebanon after the HAWK shipment, North was ready to commit the United States, via Israel, to sending still larger shipments. Oliver North, PROFS note to John Poindexter, "Current Status of Operation Recovery," December 4, 1985, 02:02:55

<sup>81</sup> For more information about the war in Lebanon, see: Kamal S Salibi, *A House of Many Mansions: The History of Lebanon Reconsidered*, (Berkeley: University of California Press 1988).

<sup>82</sup> There are two other commonly used arguments that attempt to explain Israeli incentives to participate in Iran-Contra but have been debunked by the majority of historians. The first was that the Sandinistas supported the PLO, however the Sandinistas ability to influence the PLO was extremely minimal and the greatest support that the Sandinistas provided was simply decolonisation rhetoric. The second was that the Sandinistas were anti-Semitic, however this claim was mostly fabricated by American politicians in order to justify selling weapons to the Contras.

powerful than the Iranian armed forces. In the early 1980s, most political commentators around the world predicted a swift and easy victory for Hussein's armies because Iraq had better weapons and Iran was still in the midst of revolutionary chaos.<sup>83</sup> In addition, Jordan, Syria, and Egypt supported the Iraqi military while Iran had very few allies.<sup>84</sup> Iraq is also geographically closer to Israel which meant it was potentially feasible for Iraq to stage a military engagement. The Israelis took a realist approach and decided that the best possible outcome for Israel was for both Iran and Iraq to be militarily and economically weakened in a long drawn out war.<sup>85</sup>

In order to level the playing field by perpetuating an ongoing stalemate, Israel decided to sell weapons to Iran. A decision well described by Secretary of State Cyrus Roberts Vance, in 1987: "I think that is one reason that Israel has been providing arms to Iran, because it wants to keep Iraq with its face towards the East [Iran] and away from Israel."<sup>86</sup> Israel did not only support Iran through arms sales, but also by bombing a French built nuclear reactor just south of Baghdad on June 8 1981.<sup>87</sup> This was a significant move for Israel, as it was the first time Israel had attacked a country that it did not border. Even the United States condemned this move in a UN resolution.<sup>88</sup>

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<sup>83</sup> Samuel Segev. *The Iranian Triangle: The Untold Story of Israel's Role in the Iran-Contra Affair*. (New York: Free Press 1988) 21

<sup>84</sup> Segev, *The Iranian Triangle*, 22

<sup>85</sup> Bryne, *Iran Contra. Reagan's Scandal and the Unchecked Abuse of Presidential Power*, 73.

<sup>86</sup> United States policy toward Iran: hearings before the Committee on Foreign Relations, United States Senate, One hundredth Congress, first session, January 14, 16, 23, and 27, 1987. See more at: (22) <http://catalog.hathitrust.org/Record/009863274>.

<sup>87</sup> The Israeli air strike: hearings before the Committee on Foreign Relations, United States Senate, Ninety-seventh Congress, first session, on the Israeli air strike and related issues, June 18, 19, and 25, 1981. See more at: (1) <http://catalog.hathitrust.org/Record/007608648>.

<sup>88</sup> Lara Friedman. "Israel's Unsung Protector: Obama." *The New York Times*. April 10, 2016. Accessed April 12, 2016. <http://www.nytimes.com/2016/04/12/opinion/international/israels-unsung-protector-obama.html>.

Iran was well aware of Israel's incentives and even addressed Israeli concerns over Iraq on April 9 1985.<sup>89</sup> In exchange for weapons, Iran offered Israel three captured Iraqi T-72 Soviet made Tanks. These were not for military use, as the outdated T-72 was nicknamed the "tractor" by Israeli soldiers, but instead were for study. Almost all of Syria's and Iraq's tanks were based on the Soviet T-72 and Israel had not had a chance to physically examine the tanks before.<sup>90</sup> Iran knew that there was a likely chance that Israel would conflict with Syria and Iraq again sometime in the future, and that a study of their tanks could be useful.

The second incentive for Israel to partake in Iran-Contra was to maintain its global influence at a time when most countries were cutting off diplomatic relations with Israel. By 1979, Tel-Aviv had become very isolated. In protest of Israel's involvement in the 1973 Yom Kippur War, almost every country in south Asia and Africa severed their relations with Tel-Aviv. Many of these countries were going through a very nationalistic decolonisation phase and grouped Israel into the same category as their former European imperialists. In Africa, Israel maintained diplomatic and military relations with just four countries: Rhodesia, Portuguese Mozambique, Portuguese Angola, and South Africa, all white settler colonies. Therefore, Israel was desperate to maintain its foreign military links that it still had in Central America. This meant that the Sandinistas were a direct threat to Israel's interests as the communists also viewed themselves as fighting a war against colonisation.<sup>91</sup> In addition, the Israelis held similar ideological views as many anti-communist Central American states, which historian Dr. Jamail Milton described as:

The self-perception of some Central American regimes as internationally isolated and politically undervalued, trapped in a political state of siege, usually on the basis of their atrocious records of human rights abuses. They presume, in other words, a

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<sup>89</sup> Segev, *The Iranian Triangle*, 19.

<sup>90</sup> Segev, *The Iranian Triangle*, 20.

<sup>91</sup> Joel Peters, *Israel and Africa: The Problematic Friendship* (British Academic Press: London 1992) 52.

political affinity with Israel as a fellow “pariah state.”<sup>92</sup>

Although this is not the primary reason behind Israel’s support of the Contras, it does explain the origins of funding from other “pariah states,” including Taiwan, South Africa, South Korea, Spain, and Portugal.<sup>93</sup> All of these countries had few allies due to global criticism of their human rights abuses and authoritarian right wing governments.

The United States understood Israel’s concern with its increasing isolation and responded in 1984 by organising a joint political-military committee to coordinate “third world” activities. The United States would fund Israeli development assistance programmes in Africa in exchange for Israel stepping up its role in Central America.<sup>94</sup>

#### Misperceptions of Israeli incentives to partake in Iran-Contra

One common misconception that explain Israel’s incentives to support Somoza’s National Guards and the Contras, is that the Palestinian Liberation Organisation had links to the Sandinistas dating back to the 1960s.<sup>95</sup> Although this was true, the PLO had no practical influence in Latin America and the vast majority of support was simply decolonisation rhetoric. By 1982, the PLO was far more concerned with attempting to reconnect with the Palestinian people it was supposedly representing, while in exile in Tunis. A 1982 report by the New Jewish Agenda, a progressive Jewish political organisation in the United States, dismissed the idea of Israel being concerned of a pro-PLO lobby in Latin America by stating

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<sup>92</sup> Milton Jamail and Margo Gutierrez, *It’s No Secret: Israel’s Military Involvement in Central America* (Belmont, MA: Association of Arab-American University Graduates, July 1986). See more at: [http://www.merip.org/mer/mer140/israel-central-america?ip\\_login\\_no\\_cache=464c22e0a4d61c4ee9adf8fa931c1154](http://www.merip.org/mer/mer140/israel-central-america?ip_login_no_cache=464c22e0a4d61c4ee9adf8fa931c1154).

<sup>93</sup> Ibid.

<sup>94</sup> Hunter. "Israeli Arms Sales to Central America: An Overview."

<sup>95</sup> *Houston Chronicle*, July 11, 1985.

“while they certainly have a history of support for and cooperation with the PLO, which maintains an office in Managua, the Sandinistas appear far less concerned with the Middle East than they do with Israeli policies as they affect Central America.”<sup>96</sup> Despite the total lack of evidence, the belief that the PLO was a major contributor to Israeli intervention in Nicaragua was even shared by the US Department of State which tried to draw a link between the Sandinistas and Islamic extremists in a 1985 report entitled “The Sandinistas and Middle-East Radicals.”<sup>97</sup>

Another similar misconception commonly used to explain Israeli incentives to support the Contras was that the Sandinistas were supposedly anti-Semitic.<sup>98</sup> This anti-Semitic argument was first used by the Reagan administration from 1981 to 1986 as propaganda to justify supporting the Contras.<sup>99</sup> In May 1983 the Anti-Defamation League of B’nai B’rith issued a report claiming that “the Sandinista government has forced the country’s entire Jewish community into exile, confiscating Jewish-owned property and taking over the synagogue in Managua.”<sup>100</sup> In July 1983, President Reagan supported the Anti-Defamation League by claiming that “virtually the entire Jewish community of Nicaragua has been frightened into exile.”<sup>101</sup> Even some Democrat party members agreed with this notion

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<sup>96</sup> New Jewish Agenda, *Report of the Jewish Human Rights Delegation to Nicaragua* (New York: New Jewish Agenda, 1984) 8.

<sup>97</sup> US Department of State, *The Sandinistas and Middle East Radicals* (Washington, DC, August 1985). Another perpetrator of this misconception was the Cuban American National Foundation as well as ‘historian’ David J. Kopilow’s 1984 book “Castro, Israel, and the PLO.” See more at: David J. Kopilow, *Castro, Israel and the PLO* (Washington, DC: Cuban American National Foundation, 1984), 12-14.

<sup>98</sup> Ilana De Bare and Paul Glickman, “Discrimination or Disinformation? US Accuses Nicaragua of Anti-Semitism,” *Nicaraguan Perspectives* 7 (Winter 1983), 37-38.

<sup>99</sup> *Washington Post*, August 19, 1984.

<sup>100</sup> Council on Hemispheric Affairs, *Human Rights in Latin America 1983* (Washington, DC, February 1984), 56.

<sup>101</sup> *Washington Post*, August 29, 1983.

including Representative Michael Barnes, a spokesman on Central American policy, who accused the Sandinistas of “government sponsored anti-Semitism.”<sup>102</sup> In March 1986, Reagan made an appeal to American Jews to support a \$100 million aid package to the Contras by claiming that “our supply lines to Israel and NATO run through the Caribbean.”<sup>103</sup> A few days later, Vice President Bush accused the Sandinistas of using “Nazi-like tactics” and declared that “the fate of Nicaragua’s Jewish community gives a picture of what is at stake.”<sup>104</sup> However, these claims were immediately criticised by multiple Jewish organisations for politicising the Holocaust with distorted evidence.<sup>105</sup>

In 1979, the population of Nicaragua’s Jews was approximately 200.<sup>106</sup> Although it was true that Jewish property was confiscated and that many were forced into exile, this was not undertaken because of their religion, but because all property owning elites with ties to Somoza were targeted. The 200 Jews just happened to be a part of the pro-Somoza property owning elite forced to flee alongside thousands of other pro-Somoza property-owning elite Nicaraguans from various religious and ethnic backgrounds. The Anti-Defamation League report, which was the main piece of ‘evidence’ used for the anti-Semitic charge, was based almost exclusively upon the testimony of two Nicaraguan exiles, Isaac Stavisky and his father, Abraham Gorn, both of whom had worked with the Somoza regime. In 1984, a group of progressive Israeli Knesset members visited Nicaragua and stated that the anti-Semitism charge had “been blown way out of proportion by the Reagan administration, in order to

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<sup>102</sup> Jamail and Gutierrez, *It’s No Secret: Israel’s Military Involvement in Central America*.

<sup>103</sup> “Sandinistas and Anti-Semitism: Reagan’s Charges Are Challenged,” *Latin America Regional Reports: Mexico and Central America*, May 4, 1984, 5.

<sup>104</sup> Jewish Telegraphic Agency, March 14, 1986.

<sup>105</sup> Alan Epstein, “A Jewish ‘Witness for Peace,’” *Genesis 2* (February-March 1985).

<sup>106</sup> Margaret E. Crahan, “Political Legitimacy and Dissent” in *Conflict in Nicaragua: a multidimensional perspective* ed. Jiri Valenta, (Allen & Unwin: Boston 1987), 118.



encourage American Jews to support its policies in Central America.”<sup>107</sup> In 1983, the American ambassador in Managua Anthony Cecil Eden Quainton, undertook extensive research concerning the anti-Semitic charges.<sup>108</sup> A few months later, Quainton reported to Washington and concluded that “no verifiable evidence” had been uncovered to prove Sandinistan anti-Semitism.<sup>109</sup> In 1985, the Council on Hemispheric Affairs, an American based NGO that promotes diplomacy and human rights throughout the Americas, found that while there was an anti-Israel “mood” in Nicaragua, it detected “no evidence of systematic repression of the Jewish community or officially sponsored anti-Jewish campaigns.”<sup>110</sup> In July 1984, the New Jewish Agency undertook a fact-finding trip in Nicaragua and published a report which concluded that:

Charges of Nicaraguan government anti-Semitism cannot be supported; there simply is no body of credible evidence to suggest that the Sandinista government has pursued or is currently pursuing a policy of discrimination or coercion against Jews, or that Jewish people are not welcome to live and work in Nicaragua...Charges of anti-Semitism are far too serious an issue to be publicly raised without clear substantiation and should not become used as a partisan political gambit in the United States.”<sup>111</sup>

Many non-Jewish Americans also supported the idea that Nazi comparisons used by Reagan’s administration were inappropriate.<sup>112</sup>

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<sup>107</sup> Aaron Alpern, “Mapam Links With Sandinistas,” *Progressive Israel* 5, November-December 1984, p. 8.

<sup>108</sup> *Washington Post*, August 29, 1983.

<sup>109</sup> *Los Angeles Times*, March 14, 1985.

<sup>110</sup> COHA, p. 58. Judith Elkin points out that in Latin America often no distinction is made between Israel and the Jews of Latin America. She notes: “The continuing identification of local Jews, *israelitas*, with Israelis, citizens of Israel, has done nothing to clarify distinctions between the two.” “The Hostage Jewish Communities of Latin America,” Paper presented to the Twelfth International Congress of Latin American Studies Association, April 18-20, 1985, Albuquerque, New Mexico, pp. 8-9.

<sup>111</sup> New Jewish Agenda, p. 11.

<sup>112</sup> Infamous quotes by Reagan such as “I’m a Contra too!” and “the Contras are the moral equivalent of our founding fathers” did not boost his support, especially after footage of the murder of an ABC News reporter by the Contras went on air on June 20, 1979 as well as the killing of Ben Linder in 1987, a Portlander aid worker helping provide electricity in northern Nicaragua. News reports of Contra violence was paid more attention to than the pathetic attempts to glorify the Contras. See more at: Christian Gaston “Scholarship remembers

Israel's incentives to partake in Iran-Contra was not due to exaggerated fears of the PLO in Latin America or false claims of Sandinistan anti-Semitism. Instead, Israel's incentives were due to the need to maintain Israeli military alliances at a time when most countries had cut them off, as well as to perpetuate the Iran-Iraq war so that neither country could pose a threat to Israel. Therefore, Israeli motivations were so great that Tel-Aviv possessed significant agency when it came to dealing arms with the Contras and Iranians. The only American president that tried to prevent arms delivered to Nicaragua and Iran was Jimmy Carter - even his track record is mixed. During Carter's administration in the late 1970s, there were several incidents when the United States ordered Israel to halt arms shipments to Nicaragua and Iran but it proved difficult for the United States to prevent Israel from doing so.

### **Israeli Agency**

#### American attempts to prevent Israel from arms dealing

The first major incident occurred on June 14 1978, when the US officially requested an Israeli ship loaded with arms for Nicaragua to turn back.<sup>113</sup> Although the Israeli ship reluctantly obeyed this order, an official of Carter's administration later announced that the US was reversing its policy and "had decided against trying to prevent Israel from supplying light arms" to the Somoza regime due to Israeli Prime Minister Menachem Begin's successful insistence that the arms were vital for Israel's interests.<sup>114</sup>

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Portlander Murdered by Contras." Vanguard. May 15 2002. <http://psuvanguard.com/scholarship-remembers-portlander-murdered-by-contras>. See also: <https://www.youtube.com/watch?v=AwhCXqe6Vm0>.

<sup>113</sup> Robert A. Pastor, *Condemned to Repetition: The United States and Nicaragua* (Princeton, NJ: Princeton University Press, 1987), p. 130, 132.

<sup>114</sup> *Miami Herald*, November 18, 1978.

The second major incident was during the last week of June 1979, three weeks before Somoza was forced into exile. The US requested that Israeli recall two patrol boats that were on their way to Nicaragua. Somoza responded to the request by stating “somewhere in Israel there is a large consignment of arms and ammunition which could have saved Nicaragua.”<sup>115</sup> Somoza went on to specify that these were “lifesaving arms that could spell the outcome of the war. There was abundant ammunition and more than ten thousand antitank and antipersonnel grenade rifles.”<sup>116</sup> The Israeli decision to withdraw the boats had little to do with American ‘control’ over Israel; in June 1979 both the United States and Israel realised that Somoza’s defeat was practically inevitable and that any more weapons sent to him would be a lost cause.<sup>117</sup> In addition, both the US and Israel feared that since Somoza’s days were numbered, any new weapons might end up in the hands of the Sandinistas.

The third major incident occurred at the beginning of 1980, when Carter faced accusations of being weak due to the embassy hostage crisis. Carter intervened in a deal that Begin had already approved to send tires for Phantom fighter planes to Iran. Carter insisted that the shipments be delayed until after the hostages were released and engaged with a bitter argument with Begin.<sup>118</sup> This example demonstrated that even though Carter successfully delayed the shipment of tires for a few months before he left office, the United States could not stop its closest Middle-Eastern ally from negotiating with what Carter considered to be an unnegotiable enemy.<sup>119</sup> Six months after Reagan was sworn into office, Israel sent its first

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<sup>115</sup> Johnathan Marshall, Peter Dale Scott, and Jane Hunter, *The Iran Contra Connection Secret Teams and Covert Operations in the Reagan Era* (South End Press: Boston 1987), 123.

<sup>116</sup> Diederich, *Somoza and the legacy of US Involvement in Central America*, 216.

<sup>117</sup> Solaun, *U.S. Intervention and Regime Change in Nicaragua*, 214.

<sup>118</sup> New York times, November 22 1986.

<sup>119</sup> Bryne, *Reagan's Scandal and the Unchecked Abuse of Presidential Power*, 74.

major shipments of offensive weapons to the Khomeini regime three years before the United States started to directly sell armaments.<sup>120</sup>

The time lag between Israeli shipments and American shipments suggest that the US undertook a policy based upon Israeli blueprints. Nimrod Novik, Senior Foreign Policy Advisor to Shimon Peres, stated that he met with many US government officials who made it clear that the US “wanted Israel’s help on matters of considerable sensitivity.”<sup>121</sup> Novik explained that the working relationship was very much based upon the US asking Israel for help and not the other way around. In 1983, US Undersecretary of State, Lawrence Eagleburger objected to Israel’s independent deals and Tel Aviv responded by giving “no firm assurances it would stop arming [Iran].”<sup>122</sup>

#### How Israeli investments in Iran-Contra were on par with the US

After Reagan came to power, the US stopped openly restricting Israeli shipments as Reagan was largely dismissive of Carter’s human rights rhetoric. However, Reagan was still confined by the “Vietnam syndrome”, widespread public resistance to having young Americans fighting and dying in a distant third world conflict, and had to maintain support for the Contras without too much public involvement. This strategic doctrine became known as “Low-Intensity Conflict for post-Vietnam intervention” and was best defined by the

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<sup>120</sup> Israeli Historical Chronology, Part I, pp. 19–23, 63.

<sup>121</sup> Nimrod Novik, interview with the author, November 15, 2007. Byrne, *Iran-Contra. Reagan's Scandal and the Unchecked Abuse of Presidential Power*, 65.

<sup>122</sup> U.S. Department of State, Cable Baghdad 2745, “Iraqi Views on Iran-Iraq War and Lebanon,” November 9, 1983. This confidential cable reports on a conversation between U.S. diplomat Robin Raphel and a senior Iraqi Foreign Ministry official, in which Raphel insisted the United States had “strongly urged the Israelis, to the extent that they [are] selling arms to Iran, to cease such activities.” Raphel told the Iraqi, “We had given this message to the Israelis on many occasions in the past,” including on Lawrence Eagleburger’s “recent” visit to Israel.

February 1981 Covert Action Proposal for Central America.<sup>123</sup> The justification behind these actions was a revised fear of the domino effect theory and the Soviet “export of revolution,” despite the fact that the Soviet Union had very little presence beyond Cuba within Latin America and that even Khomeini’s Iran considered the USSR a threat.<sup>124</sup> American diplomat and ambassador to West Germany Richard Burt supported a stronger stance against the Soviet Union in Latin America, stating “I think we are seeing the application of the domino theory... and I think it’s time the people of the United States realize.... That we’re the last domino.”<sup>125</sup> This new doctrine relied upon secret and complex military connections with allies in order to maintain influence without high profile wars and visible casualties. The most important of these allies was Israel, who was not proving as reliable as the United States hoped.

Israel often failed to inform the United States of arms deals until after they were concluded and sometimes did not even bother informing the US. The quantity and quality of Israeli shipments to Iran and Nicaragua were on par with the United States. By the end of 1981, the CIA reported Israel had sold at least \$28 million in military equipment to Iran.<sup>126</sup> According to Ahmad Haidari, a prominent Iranian arms dealer, approximately 80% of the weapons received from foreign countries between 1981 to 1982 came from Israel,<sup>127</sup> whose interests, as US National Security Advisor Robert McFarlane acknowledged in a 1985 cable

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<sup>123</sup> Kornbluh. “The US Role in the Counterrevolution,” 325.

<sup>124</sup> The Iranians at the session contended Karoubi represented a group interested in cooperating with the United States to stave off the Soviet threat to Iran. He allegedly was prepared to begin detailed discussions on mutual cooperation—through Israel, because it apparently was even more impractical to deal directly with the United States—and would commit to writing a comprehensive proposal. See more at: Bryne, *Iran-Contra. Reagan's Scandal and the Unchecked Abuse of Presidential Power*, 67.

<sup>125</sup> Richard Burt, New York Times, March 4, 1980.

<sup>126</sup> Central Intelligence Agency, “Arms Transfers to the Persian Gulf: Trends and Implications,” Appendix C (Washington, D.C.: National Archives and Records Administration CREST database, August 1982), pp. 18–19.

<sup>127</sup> Trita Parsi, *Treacherous Alliance: The secret dealings of Israel, Iran and the United States* (Yale University Press: NH 2007).

to Secretary of State George Shultz, did not necessarily align with those of the US government:

This situation is loaded with imponderables that call for great caution on our part... fraud that seems to accompany so many deals involving arms and Iran and the complications arising from our 'blessing' an Israel-Iran relationship where Israel's interests and ours are not necessarily the same."<sup>128</sup>

In fact, Israeli-made weapons were far more common than American made weapons in Central America.<sup>129</sup> In addition to the thousands of infantry rifles, Israel sold 12 refurbished Dassault Super-Mystere fighter-interceptors to Honduras in early January 1977, the first supersonic bombers in Central America.<sup>130</sup> Though the majority of the planes were made in Israel, they were fitted with American-made Pratt and Whitney engines. By failing to inform the American State Department of this transaction, the Israeli sale of these planes technically violated the banning of "third-country transfers of US military equipment." However, the incident was settled with little fanfare when US Secretary of State Henry Kissinger casually accepted Israel's explanation that it had all been "an honest misunderstanding."<sup>131</sup> Neither government requested that Honduras return the planes and Israel continued to do business in Central America without heavily informing the United States.

In July 1981, an Israeli arms dealer brokered a deal with Ahmed Khudari, a weapons merchant acting for the Iranian Chief of Staff, and Jawwad Fakih, the Iranian minister of defence. The deal was made in Lisbon through a French firm and involved the sale of 200 million dollars' worth of 106mm recoilless artillery, mortars, ammunition, communications

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<sup>128</sup> George Shultz, cable to Robert McFarlane, "Reply to Backchannel No. 3 from Bud," July 14, 1985. See more at: Bryne, *Irancontra. Reagan's Scandal and the Unchecked Abuse of Presidential Power*.

<sup>129</sup> "Nicaragua 201 Israel." Nicaragua 201 Israel. Accessed August 14, 2015. <http://www.cascoscoleccion.com/nicaragu/nica201.htm>.

<sup>130</sup> Cynthia Arnson, "Israel and Central America," *New Outlook* (March-April 1984), 9.

<sup>131</sup> Cynthia Arnson, "Arms Race In Central America," *The Nation*, (March 10, 1979), 267.

equipment, and jet tires to Iran.<sup>132</sup> The only conditions the Iranians made was that it would be publically denied if unrecovered.<sup>133</sup> This materiel began to arrive on July 11 1981, hidden in an Argentinian cargo plane claiming to be carrying fruits and vegetables.<sup>134</sup> However, on its third trip to Iran on July 18 1981, the plane crashed on the Soviet-Turkish border exposing the arms link between Iran and Israel.<sup>135</sup> Nevertheless, minimal media coverage of the incident and a concomitant absence of public protest encouraged Israel and Iran to make further arms deals.

In May 1982, Israeli Minister of Defence Ariel Sharon informed the United States that another contract had been signed with Iran. Although Israel only informed the US after it had already signed the contract, the United States requested that no weapons with American-made parts be sold in order to avoid a repetition of the “misunderstanding of 1977” as well as to prevent publicity over violating the newly passed Boland Amendments. This request had no effect on Israel because the Israeli Defence Force already possessed a huge surplus of Soviet-made PLO weapons that were abandoned in Lebanon after Yasser Arafat fled to Tunis.<sup>136</sup> A year later in 1983, the Department of Defence collaborated with the CIA to participate in the selling of the captured PLO arms in what was known as Operation Tipped Kettle.<sup>137</sup> A memorandum written by Oliver North named “Israeli arms” outlined many aspects of Tipped Kettle:

On Friday night, Defence Minister Rabin offered a significant quantity of captured

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<sup>132</sup> Segev, *The Iranian Triangle*, 5.

<sup>133</sup> “Panorama,” BBC, February 1, 1982.

<sup>134</sup> Segev, *The Iranian Triangle*, 6.

<sup>135</sup> “Panorama,” BBC, February 1, 1982.

<sup>136</sup> Segev, *The Iranian Triangle*, 6.

<sup>137</sup> Operation Tipped Kettle is described in a forty-two-page summary of US approaches to another nation on behalf of the contras released at the trial of Oliver North. “The United States Vs. Oliver L. North, Stipulation of Facts,” March 10, 1989, p.1

Soviet bloc arms for use by the Nicaraguan democratic resistance. These arms will be picked up by a foreign flag vessel this week and delivered to the Nicaraguan resistance. If Peres raises this issue, it would be helpful if the President thanked him since the Israelis hold considerable stores of bloc ordnance compatible with what the Nicaraguan resistance now uses.”<sup>138</sup>

Once again, an arms link founded by Israel had been picked up and furthered by the United States.

In September 1982, Israel got a surprising request from Reza Shah’s 20-year-old son living in exile in Cairo to use Saudi funds to purchase Israeli arms for training soldiers in Sudan to overthrow the Khomeini regime.<sup>139</sup> The United States pushed for this plan which was given the green light by CIA director William Casey. However, Israel rejected the plan due to doubts over the young Reza Shah’s ability to govern effectively as well as the ongoing Official Commission of Inquiry into the Sabra and Shatila massacres that forced the resignation of Sharon and Begin. Yitzhak Shamir, the new Israeli prime minister, had no faith in the Shah-in-exile’s plan and from then on, Israel essentially accepted the new Islamic government as a permanently established regime with which to do secret business with.<sup>140</sup> Israel was effectively able to scrap a plan heavily supported by the United States because Israeli officials were not convinced it would serve their own domestic and international goals.

In late 1982, General Gustavo Alvarez, the head of the Honduran armed forces, visited Israel in search of warplanes that were an alternative to American models.<sup>141</sup> In October 1985, Honduras purchased SAM-7 anti-aircraft missiles accompanied with IDF

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<sup>138</sup> Oliver North memorandum, “Possible Peres Discussion Items with the President,” September 15, 1986, attached to memo from North to John Poindexter, “Follow-on Meeting with Amiram Nir,” September 15, 1986

<sup>139</sup> Segev, *The Iranian Triangle*, 9.

<sup>140</sup> Segev, *The Iranian Triangle*, 11.

<sup>141</sup> Guardian, October 11, 1985. Ignacio Klich, an Argentine Jewish journalist who has closely followed Israel’s Third World involvements.



advisors.<sup>142</sup> The fact that General Alvarez could openly visit Israel to look for weapons as if he was in a supermarket demonstrated the reputation of Israel as an international arms dealer providing high quality weaponsry. Adolfo Calero, a prominent Contra figure, confirmed in April 1984 that his soldiers were looking at Israel as a major source of support since “the Israelis would be the best because they have the technical experience.”<sup>143</sup>

In 1983 the United States began a project in Costa Rica known as the Northern Zone Infrastructure Development Project, officially undertaken to facilitate ‘economic development in the Third World through US AID’ (Agency for International Development).<sup>144</sup> However, it also served as a platform to move anti-communist Costa Rican farmers up to the Nicaraguan border, and supply them with infrastructure, credit and technical services including up to \$14,200,000 in loans and \$500,000 in grants.<sup>145</sup> These infrastructures and ‘technical services’ provided cover for Contra base and training camps throughout the area with the purpose of providing a security belt along the Costa Rica-Nicaraguan border to surround the Sandinistas. Although the official document made no mention of the Contras, communism or war, it stated that:

Costa Rica’s Northern Zone has been designated as a priority region for development not only because it has extensive areas of under-utilized lands with agricultural potential but for geopolitical reasons as well. The GOCR (Government of Costa Rica) is concerned about the feelings of isolation and frustration expressed by the population and its proximity to and the constant destabilizing influence from Nicaragua.<sup>146</sup>

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<sup>142</sup> Steve Goldfield, *Garrison State: Israel’s Role in US Global Strategy* (San Francisco: Palestine Focus Publications 1985), 46.

<sup>143</sup> Jane Hunter, “Reagan’s Unseen Ally in Central America,” *Israeli Foreign Affairs* 1/1 (December 1984), p. 1.

<sup>144</sup> *Central America Report*, December 14, 1984, p. 387.

<sup>145</sup> *Costa Rica: Project Paper, Northern Zone Infrastructure Development : Loan Number 515-T-041, Project Number 515-0191*. [Washington, D.C.]: The Agency, 1983. [http://pdf.usaid.gov/pdf\\_docs/PDAAN305.pdf](http://pdf.usaid.gov/pdf_docs/PDAAN305.pdf) ([pg3](#))

<sup>146</sup> *Ibid.*

The movement of farmers to ‘under-utilised lands’ were facilitated by Israeli advisors on the ground, following their experiences with settlers in militarily unstable locations.<sup>147</sup> In 1985, the Costa Rican government announced that it would seek anti-aircraft weapons and high calibre machine guns from Israel and other countries.<sup>148</sup> The Northern Zone Infrastructure Development Project served as another example of a joint US-Israeli effort to covertly secure their investments in a Latin American nation through arms sales and advisors in this case, not under the rhetoric of fighting communism but for “economic development.”

On March 27 1984, CIA director William Casey wrote a memo to National Security Advisor Robert Carl McFarlane, that “I am in full agreement that you should explore funding alternatives with the Israelis and perhaps others”<sup>149</sup> This was in response to a prompt that stated that the 24 million dollars that was already used for contra arms was starting to run out. Casey went on to list other possibilities for funding including the usual suspects of South Africa, other central American dictatorships, and Saudi-Arabia.<sup>150</sup> Israel was the first country mentioned and was repeated more times than any other country.

In August 1986, a few days before the Iran-Contra scandal broke out in the US, the National Security Advisor John Poindexter described his interaction between Israeli Defence Minister Yitzhak Rabin to furnish Spanish speaking Israeli military trainers and advisers to the Contras in Honduras. These Israeli advisors would also sell Kfir fighters to the Honduran government in order to reinforce the border between Nicaragua and Honduras which was known as the Southern Front. Even after the scandal was on the front cover of almost every

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<sup>147</sup> Jamail and Gutierrez, *It's No Secret: Israel's Military Involvement in Central America*.

<sup>148</sup> “Costa Rica,” *Israeli Foreign Affairs* 1/11 (November 1985), p. 8.

<sup>149</sup> Casey memorandum to McFarlane, “Supplemental Assistance to Nicaragua Program,” March 27, 1984.

<sup>150</sup> Christian, *Nicaragua: Revolution in the Family*, 91.

American newspaper in the autumn of 1986, Rabin sent eight tons of seized PLO arms to Nicaragua, which was referred to as “Country 1.”<sup>151</sup> In 1986, Israel increased its support to both the Iranians and the Contras while American support stagnated due to the explosive political scandal at home.

### US Hearings on Israeli involvement

US Senate hearings discussed Israeli involvement in the Iran-Contra Affair early in 1986 and acknowledged that the United States had based many of its policies on Israeli intelligence. On February 27 1986, a Senate Hearing entitled “US policy toward Nicaragua: aid to Nicaraguan resistance proposal” admitted that an estimate of \$26 million from private groups in the US, Western Europe, South America, Taiwan, South Korea, and Israel had been donated to the FDN, the Nicaraguan Democratic Force, one branch of the Contras.<sup>152</sup> It is likely that the \$26 million figure is an underestimate given the lack of transparency of many transactions. Israel and France were mentioned at least two more times in the document when it came to specifying the sources of rebel armaments and funding.

On January 14 1987, another Senate Hearing entitled “United States policy toward Iran” involved an exchange between Kentucky Republican Senator Mitch McConnell and former National Security Advisor Robert Carl McFarlane, who had resigned in 1985.<sup>153</sup> The

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<sup>151</sup> Jonathan, Marshall. "Israel, the Contras and the North Trial | Middle East Research and Information Project." Israel, the Contras and the North Trial | Middle East Research and Information Project. 1989. Accessed August 29, 2015. <http://www.merip.org/mer/mer160/israel-contras-north-trial>.

<sup>152</sup> U.S. policy toward Nicaragua: aid to Nicaraguan resistance proposal: hearing before the Committee on Foreign Relations, United States Senate, Ninety-ninth Congress, second session ... February 27 and March 4, 1986. <http://catalog.hathitrust.org/Record/007608843>

<sup>153</sup> Ronald Reagan, “Acceptance of McFarlane’s Resignation” Primary source letter of Reagan accepting McFarlane’s resignation letter,” Reagan Library. <http://www.reagan.utexas.edu/archives/speeches/1985/120485d.htm>

hearing concluded that “the sale of arms to Iran and reported approval of Israeli shipments of United States-supplied arms to Iran, without notice to Congress either prior to or promptly after the shipments took place, appear to have violated several Federal statutes.”<sup>154</sup>

McConnell followed this declaration with a series of questions that stated how baffled he was over the extent of American policy that relied upon Israeli intelligence. As in the ‘misunderstanding of 1977,’ the Israelis were able to violate American law with no repercussions to their alliance, even though vice-president George H.W. Bush had expressed the concern that Tel Aviv held too much leverage with Washington and that the “Israelis may squeeze us.”<sup>155</sup>

McConnell specifically questioned an American plan to identify ‘moderate’ elements within the Iranian revolution with particular emphasis on Hussein-Ali Montazeri, a potential successor of Khomeini who eventually fell out with the supreme leader and was branded a counterrevolutionary in late 1987.<sup>156</sup> In reality, the entire ‘moderate’ proposal was made up by Iranian arms dealer Manucher Ghorbanifar and Saudi billionaire Adnan Khashoggi. These two figures hoped to cash in on the Iran-Iraq war and used their business links to sell weapons to Iran via Israel. Much of Ghorbanifar and Khashoggi’s involvement was revealed during the hearings, including Oliver North’s larger set of deposits, which included \$15

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<sup>154</sup> United States policy toward Iran: hearings before the Committee on Foreign Relations, United States Senate, One hundredth Congress, first session, January 14, 16, 23, and 27, 1987. <http://catalog.hathitrust.org/Record/009863274>. Page 6

<sup>155</sup> Bush retained this concern throughout 1986, commenting at an administration meeting in November shortly after the McFarlane mission was exposed that the “Israelis may squeeze us.” Donald Regan, notes, November 10, 1986. Nevertheless, by most accounts Bush favoured going ahead with the operation. See John Poindexter deposition, vol. B-20, p. 1131. The deposition volume reproduces an excised copy of the passage on Israel, but the government later declassified it; extracts were first obtained and reported by James Hershberg in the *Boston Phoenix*, March 4–10, 1988, pp. 1–2, 10–11.

<sup>156</sup> Nikki R. Keddie, *Modern Iran: Roots and Results of Revolution*, (New Haven, Connecticut: Yale University Press 2003) 260.

million from Khashoggi and \$1.685 from Israel.<sup>157</sup>

Ghorbanifar and Israeli officials discussed how using the term ‘moderates’ would encourage increased American arms sales.<sup>158</sup> McFarlane found that the “original presentation to us we found credible came from Israel [later identified as official government sources], but that we did make our own independent efforts to determine whether their own conclusions [in regards to the moderates] were reasonable.” These independent efforts that were never further explained. In fact, the US had little independent intelligence; this violation of federal law was undertaken with almost completely fabricated data produced mainly by Israel. Even Oliver North recognised that “our greatest liability throughout has been lack of operational control over transactions with Ghorbanifar [alongside his Israeli counterparts].”<sup>159</sup> The United States was simply not willing to openly criticise Israel due to the perceived value of the intelligence that they contributed to the US.

McConnell continued his interrogation by asking McFarlane to confirm that “we relied exclusively on the advice of others [Israel] as to what individuals in those various groups might comprise this moderate element?” McFarlane replied, “That’s correct. We really had no alternative.” McFarlane’s testimony concerning the US’s lack of influence in Iran and its reliance on allies was reinforced by a 1985 CIA formal analysis known as a Special National Intelligence Estimate (SNIE) on the subject of Khomeini’s Iran and supposed Soviet influence. The documented stated that:

The United States is unlikely to be able to directly influence Iranian events, given its current lack of contact or presence in Iran. European states and other friendly states—including Turkey, Pakistan, China, Japan, and even Israel—can provide the

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<sup>157</sup> Robert Dutton, Joint Hearings, vol. 100-3, May 27, 1987, p. 209.

<sup>158</sup> Bryne, Reagan's Scandal and the Unchecked Abuse of Presidential Power, 62.

<sup>159</sup> The rescue option and its ramifications were blacked out in the joint congressional committees’ version, but the Tower Commission reproduced that portion of the document entirely. See Tower Report, p. B-4.

next most valuable presence or entrée in Iran to help protect Western interests.<sup>160</sup>

An astonished McConnell responded to McFarlane and asked “was it not from July until December, before we made any direct contact ourselves, and did anything other than simply rely on the Israelis?” McFarlane replied:

Well sir, the President’s approval came in August 1985. That authority was that if Israel were to sell arms to Iran, and ultimately came to the United States to replace them, that they could do that, so long as the quantity shipped and the character of the weapons wouldn’t alter the complexion of the situation in the war or contribute to terrorism.<sup>161</sup>

McFarlane’s insistence that such actions could continue as long as it wouldn’t ‘alter the complexion of war or contribute to terrorism’ was purposely vague and ambiguous language that allowed for the continuation of the policy of allowing and supporting covert Israeli arms sales.

By 1988, the US and Israel were meeting with considerable international criticism over their involvement in Nicaragua. One United Nations General Assembly resolution passed in October 1988 ordered the United States to end the arming and training of insurgents against Nicaragua and to pay the damages caused by military attacks; the only two countries to vote against this resolution were Israel and the United States.<sup>162</sup>

By 1984, western mainstream news stations were openly reporting on the Israeli involvement in Central America. Despite the international condemnation of Israeli presence in Nicaragua, the Israeli government continued to deny their involvement.

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<sup>160</sup> Special National Intelligence Estimate 34-84, "Iran: The Post-Khomeini Era," quoted in Tower Report, pp. B-7, B-8

<sup>161</sup> United States policy toward Iran: hearings before the Committee on Foreign Relations, United States Senate, One hundredth Congress, first session, January 14, 16, 23, and 27, 1987 (47, 48) <http://catalog.hathitrust.org/Record/009863274>.

<sup>162</sup> “UN General Assembly Adopts Resolution Calling on US to Comply with World Court Ruling,” *New York Times*, October 26, 1988.

### The embellishment of Oliver North's significance

The American media frenzy over Oliver North contributed to the lack of large public outcry over other international contributors to Iran-Contra. North's face is immediately associated with Irangate as Richard Nixon's name is with Watergate. However, unlike Nixon's connection to Watergate, North's actual involvement in the Iran-Contra Affair was relatively minor. North essentially 'took the bullet' for Reagan, allowing himself to be painted as a rouge agent who went too far while Reagan remained ignorant of the arms deals.<sup>163</sup> Although Reagan's opinion polls were damaged by Irangate, his administration did not become synonymous with scandal,<sup>164</sup> even Oliver North's reputation remained partially intact, as he later received credit as a "misguided patriot" willing to sacrifice his career for the greater good of his country.<sup>165</sup> But, in fact the foundations of the arms deals were already set by Israel's long history of selling armaments to Central American dictatorships and the Shah; the channels of weapons shipments were already in use by the time North was in a position of authority. North simply built on the groundwork laid by Israel to continue to foster the American commitment to fight those who challenged US interests in Nicaragua and Iran.

North was not alone in his commitment to supplying arms to Central American rebels. Other significant American agents included Richard Secord, John Singlaub, and Ronald Martin, all of whom had directly contacted and negotiated with Contra leader Adolfo Calero.<sup>166</sup> Another Department of Defence official, John Poindexter, facilitated a

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<sup>163</sup> Robert Busby, *Reagan and the Iran-Contra Affair: the politics of presidential recovery*, (St. Martin's Press; New York 1999).

<sup>164</sup> Jennifer Pinto, "Ronald Reagan's Presidency: A Polling Retrospective." CBSNews. February 6, 2011. Accessed February 4, 2016. <http://www.cbsnews.com/news/ronald-reagans-presidency-a-polling-retrospective/>.

<sup>165</sup> Patricia Taylor Edmisten, *Nicaragua Divided* (University of West Florida Press: Pensacola 1990).

<sup>166</sup> Seth Cantey, Review of "Iran-Contra: Reagan's Scandal and the Unchecked Abuse of Presidential Power"

communications system called the Private Blank Check. This system, although ultimately a failure, initially allowed North and Poindexter to communicate without being detected by the National Security Council computer.<sup>167</sup> Although North held senior positions to these men, the activities undertaken could not have been accomplished without their involvement. The head of the CIA, William J. Casey, was also involved in Irancontra but the extent of his involvement is not known in much detail due to a brain tumour that left Casey incapable of speech during the hearings shortly before his death in 1987.<sup>168</sup> Casey's senior and influential position in the CIA has made many speculate if he was even more involved in Irangate than North, despite the lack of any solid evidence. Donald Regan, the Secretary of the Treasury, was also forced to resign due to his involvement in Irangate. Like Casey, the extent of Regan's involvement is still unknown.<sup>169</sup>

#### Israeli involvement and denial in news media

Although, Israel's involvement was revealed during the US congressional hearings, the lack of a central figure like North meant that the Israeli public took little notice of the proceedings. On April 23 1984, Yossi Amihud, spokesperson for the Israeli Foreign Ministry, denied that "Israel had any military relationship with El Salvador."<sup>170</sup> However, on that very same day NBC broadcast an interview with a Contra leader and former Somozan National Guardsmen where he stated that "we received some weapons...that [the] Israeli government

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Political Science Quarterly, 2015, Vol.130(4) p125. See more at:  
<http://muse.jhu.edu/books/9780700620364/9780700620364-15.pdf>

<sup>167</sup> Robert Busby, *Reagan and the Iran-Contra Affair: the politics of presidential recovery*.

<sup>168</sup> Nomination of William J. Casey: Hearings, Ninety-second Congress, first session, on the nomination of William J. Casey to be a member of the Securities and Exchange Commission. February 10 and March 9, 1971

<sup>169</sup> Robert Busby, *Reagan and the Iran-Contra Affair: the politics of presidential recovery*.

<sup>170</sup> *New York Times*, April 23, 1984.



took from [the] PLO in Lebanon.” The broadcast added that the rebels were known to use Soviet-made machine guns, and that Israel “has armed a quarter of the rebel army.”<sup>171</sup>

On April 27 1984, an Israeli Foreign Ministry spokesman declared that “normally we do not discuss arms sales at all, but this allegation is so baseless and casts such a slur upon Israel’s image that we decided to make a public denial.”<sup>172</sup> The *Miami Herald* reported on more Israeli officials denying their involvement with the Contras on April 29.<sup>173</sup> On May 7 1984, *Time* magazine reported that “Israel funnels arms to the contras through the Honduran army. Israeli intelligence experts have helped the CIA train the contras, and retired or reserve Israeli army commandos have been hired by shadowy private firms to assist the rebels.”<sup>174</sup> On October 8 1985, the *Houston Chronicle* reported an approved plan early in 1985 for secret funding if Congress cut off military aid to the contras.<sup>175</sup> On that same day, the *Washington Post* identified South Korea, Taiwan, and Israel as major creditors of rebel funding.<sup>176</sup>

All of Israel’s denials were revealed to be lies only a few months or a couple of years after they were announced, exposed by the US Congressional Hearings as well as by interviews with Contra leaders that revealed the source of their weapons. Because so many mainstream newspapers reported on Israeli involvement in Central America as early as 1984, it is not surprising that it took only until August 1985 for the American connection to be revealed in this global scandal. It is also not surprising that Israel did not receive the same backlash as the US; news was delivered to the US public as a sudden large dose of

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<sup>171</sup> NBC Nightly News, April 23, 1984.

<sup>172</sup> *New York Times*, April 27, 1984.

<sup>173</sup> *Miami Herald*, April 29, 1984.

<sup>174</sup> “An Israeli Connection?” *Time*, May 7, 1984, p. 75.

<sup>175</sup> *Houston Chronicle*, October 8, 1985.

<sup>176</sup> *Washington Post*, October 8, 1985.

information in 1986 while the Israeli public was exposed to the allegations in small doses spread throughout the 1980s.

### **Conclusion**

Israeli agency in the Iran-Contra affair was demonstrated by its long standing histories in Nicaragua and Iran, its independent ambitions in these regions, and its ability to ignore the most powerful country in the world. For many decades, Israel independently built up economic and military ties to Nicaragua and Iran and felt threatened by the revolutions of 1979. Therefore, even though many of its goals coincided with the United States, they were not identical. The United States' inability to control its most significant Middle-Eastern ally is a fundamental piece of evidence that revealed Israel's international independence.

When categorising countries' loyalty during the Cold War, many automatically put Israel directly into the American camp as opposed to the Soviet camp or the Non-Aligned Movement. Although this categorisation is true for some aspects of Israel's history, it neglects the domestically orientated motives of Israel and its incentives. Many countries, like Israel, did not fit neatly into the bipolar sets that Cold War ideology designates. When it came to Iran, Nicaragua, and arms deals, Israel acted more like a non-aligned country than one fighting the American war against communism.

Israel was an American ally; but it also independently pursued its own ambitions. The myth of Cold War bipolarism and the complexities of international arms deals can be deconstructed by understanding Israel's agency and the major role it played during the Iran-Contra affair.

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