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**HEADLINE:** Israeli firms sold arms to Iran till '93

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**BODY:**

Israeli companies, with Defense Ministry approval, sold military equipment to Iran during the 1980s and early '90s, until they were stopped by US opposition in 1993, court records and defense executives say.

An investigation to be published in next Friday's Jerusalem Post Magazine has found that the sales began soon after the Iran-Iraq War started in 1980 and continued through the early 1990s, when the Clinton administration began to enforce the policy of dual containment against Iran and Iraq.

"Until 1988, Israel was liberal in arms sales to Iran," said former Soltam director Avraham Bar-David. "There was the Iran-Iraq War and our interest was that this war would last forever. Israeli companies were willing to sell virtually anything."

The sales to Iran continued in 1990. Defense industry sources say a variety of Israelis dealt with Teheran, but one of the most active was Nahum Manbar, now on trial in Tel Aviv District Court on charges of aiding the enemy in time of war.

Court records of the Manbar trial and of a civil suit show that the Defense Ministry issued permits for at least one major defense deal with Iran in 1990, in which Iran wanted to buy \$ 50 million worth of high-technology equipment to detect chemical weapons from long range. The equipment, called Laser Radar System, was designed by Elbit Computers Ltd.

"The beginning of the supply was to have been within a few months after approval of the samples," Elbit said in reply to a suit Manbar brought against the company in 1992 in Tel Aviv District Court. "The plaintiff (Manbar) wanted three months. On the basis of this, the defendant turned to the Defense Ministry to obtain the required permits to conduct negotiations, and such a permit was given."

An order of the equipment made by the Iranians listed the following items: the LRS, Chase, Cadet, and Cat. All of these are instruments for detecting chemical weapons.

"Of course, we will try to test the quality of these equipments and if it is approved, we will put

much larger order for each of the above equipments before the end of this year," wrote S.A. Okhovat, an official of the Iranian Defense Ministry's National Defense Industries Organization.

The agreement broke down when Elbit could not supply the LRS and agreed to sell only the Chase and Cadet. The Iranians said they were primarily interested in the LRS, with much greater detection ability. In its defense, Elbit argued that it told Manbar that the LRS was still under development. The suit was eventually settled out of court.

The Manbar-Elbit suit detailed how the deal would be executed. The equipment would be purchased by Manbar's Mana International Investment Inc., which had an office in Warsaw. From there, he would obtain an end-user permit from "a European government," but the equipment would be sent to Teheran. Iran is not mentioned in the suit, but the details in the suit match those of a sales contract obtained by the Post.

Avi Richtman, an attorney who represented Manbar in the Elbit suit, said many other Israeli companies approached Manbar for the sale of their equipment to Iran. He said the list included Rabintex, which in 1991-2 sold special fire-retardant clothing to Teheran.

In 1992, Richtman said, Manbar sold trucks he bought from the Israel Air Force to Iran. Manbar, he said, also sold filters for gas masks manufactured by Shalon. A major deal was negotiated between El-Op Electro-Optics Industries and Iran for the upgrade of Polish tanks with El-Op fire control equipment. The deal, however, was not consummated.

"The minute the Israeli companies knew that Nahum was dealing with Iran, many of them turned to him," Richtman said, adding that in 1990 Soltam offered to sell Iran what he described as a "huge amount" of mortar bombs. The Iranians, however, rejected the offer.

While some defense sources have confirmed details, the spokesmen of the companies involved deny the allegations.

"We have never had any deals or any negotiations with Iran, and this includes the tank deal," said El-Op spokeswoman Aviva Haleva. "It is fabricated."

A Soltam executive said the story was incorrect.

Shalon CEO Ram Baharad said, "It could be that we had ties with Nahum Manbar. But we haven't sold to Iran since around 1979. We had business with Iran during the rule of the shah."

The Defense Ministry declined to comment, despite repeated requests.

Manbar was arrested at Ben-Gurion Airport on March 27 when he arrived on a flight from Rome. An indictment submitted against Manbar on May 5 charged him with aiding the enemy in time of war. His trial began June 3 and next week the prosecution's major witness is expected to testify.