

ARTICLE APPEARED  
ON PAGE A20NEW YORK TIMES  
17 December 1986

# U.S. GOT REPORTS ON CONTRA ARMS

By JOEL BRINKLEY

Special to The New York Times

WASHINGTON, Dec. 16 — United States military and intelligence personnel in El Salvador sent regular reports to numerous Government officials in Washington detailing covert shipments of arms through Salvador to the Nicaraguan rebels last spring and summer, State and Defense Department officials acknowledged today.

Until the law changed this fall, the Government was prohibited from direct involvement in military aid to the rebels, but Defense Department officials say filing the reports was not improper.

Congressional investigators said today that they were focusing on this new disclosure because some rebel arms shipments are believed to have been financed with profits from arms sales to Iran.

In addition, they confirmed that Southern Air Transport of Miami was shown in the intelligence reports to be shipping arms to the rebels, known as contras, while it was under Government contract to ferry some of the arms that were being sold to Iran. Southern Air was owned by the C.I.A. from 1960 until 1973 and still gets frequent agency contracts, intelligence officials say.

## Some Aid Is Withheld

The investigators say they intend to ask why the officials in the C.I.A., the State Department and the other agencies who may have seen the reports from the Ilopango air base in El Salvador apparently asked no questions about them.

Meanwhile, the controversy has prompted a House subcommittee to withhold about \$15 million in military aid to El Salvador. Pentagon officials involved in the aid program say they see this as a sign that the Iran-contra affair is "spilling over" into seemingly unrelated foreign policy matters.

William J. Casey, the Director of Central Intelligence, has said he became suspicious that money from the arms sales to Iran was being channeled to the contras only in October after a conversation with a former business associate who was a marginal participant in the Iran affair. But a senior Congressional aide who has been involved in one of the House investigations of the Iran and contra arms sales said, "It seems unlikely to us that no one in the C.I.A. who was privy to both sets of information" about Southern Air "failed to put them together and ask some pertinent questions."

The State Department was required by Congress to monitor the flow of the \$27 million in "non-lethal" United States aid to the rebels approved last year. Most of the food, clothing and other material was flown through Ilopango air base in El Salvador, which is maintained and equipped largely with American financing. As a result, American military and intelligence person-

nel stationed there sent reports to Washington on the flights.

Many of the covert arms shipments to the rebels were flown through Ilopango as well. Often the same Southern Air planes were used, officials said. Reports on those flights, too, were sent to the C.I.A., the State Department and the National Security Council, among other agencies, officials said.

## Full Knowledge of Flights

A Defense Department official directly involved in Central America programs said: "It was not inappropriate for them to know. They reported on them, and people in Washington had full knowledge of them."

A State Department official recalled that several intelligence reports on the covert arms shipments "crossed my desk" along with reports on the shipments of humanitarian aid. But he said he did not know of any specific action the department took as a result. "As far as we knew these were private flights, and everybody here thought it was just fine that supplies were getting to the resistance," he said.

More detailed versions of the same reports went to the C.I.A., he and other officials said.

Meanwhile, starting in the fall of 1985, Southern Air was also ferrying at least some of the arms that were sold to Iran, officials said. An American arms dealer in Miami who was also a Government informant said those shipments were common knowledge among prominent arms dealers and among Southern Air's competitors in Miami.

Federal law enforcement officials confirmed that account, but the dealer and the officials said in interviews in Miami that none of them knew that the shipments to Iran were sanctioned by the Government although they suspected as much because of Southern Air's ties to the C.I.A. Reports on the

shipments were passed to Washington, officials said.

State and Defense Department officials say this controversy should not be used to affect unrelated programs, such as military aid to El Salvador. But Representative David R. Obey, chairman of the Appropriations Committee's Subcommittee on Foreign Operations, said: "I am not at all sure it is unrelated. If it is unclear whether our operation in El Salvador is in fact doing double duty involving Nicaragua, it seems to me they have not kept them separate issues."

In a letter to Secretary of State George P. Shultz, Mr. Obey said he felt it especially important to determine whether money appropriated for aid to El Salvador was used, "directly or indirectly, in any manner whatsoever, to carry out or coordinate or facilitate the sale of weapons to Iran and the subsequent provision of funds or material to the Nicaraguan contras."

Until questions about the apparently mingled operations are cleared up, he said, his subcommittee will block about \$15 million in aid to El Salvador, most of which was to pay for 14 new helicopters and planes for the Salvadoran military.