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White House Role in Contra Aid Larger Than Disclosed

*President Agreed to Thank Peres
For Arms to Rebels, Panel Says*

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President Reagan and his senior advisers were more deeply involved in assisting the Nicaraguan rebels than has been previously disclosed, and last fall the president agreed to thank Israeli Prime Minister Shimon Peres for providing captured Soviet bloc arms to the contras, according to a Senate intelligence committee report released last night.

The report by the Senate Select Committee on Intelligence provides extensive new details on efforts to help the contras, making it clear that Reagan administration officials, including the president, knew much more about clandestine efforts to ship arms and other supplies to the rebels fighting the government of Nicaragua than they have publicly acknowledged.

Reagan's preparation for his White House meeting last Sept. 15 with Peres is one new piece of evidence.

The report describes a memorandum written by Marine Lt. Col. Oliver L. North, then on Reagan's National Security Council staff, to his boss, Vice Adm. John M. Poindexter, then NSC adviser, which Poindexter subsequently discussed with Reagan.

The memo recounted that three days earlier, Israeli Defense Minister Yitzhak Rabin had offered "a significant quantity of captured Soviet bloc arms for use by the Nicaraguan resistance."

The report continues: "The [North] memorandum advised that if Peres raised this issue [in his Sept. 15 meeting with Reagan], the president should thank him because the Israelis held considerable stores of [Soviet] bloc ordnance compatible with arms used by the Nicaraguan resistance. Poindexter noted on the memorandum received by the [Senate intelligence] committee that he discussed it with the president."

White House chief of staff Donald T. Regan testified to the Senate panel that he attended a briefing of the president, an hour before the Peres meeting, where it was decided that if Peres raised the subject of those arms for the contras, "the president should 'just say

thanks.' " The report continues: "Regan recalled no discussion as to legality under American law."

At that time, by an act of Congress, the administration was legally banned from providing or soliciting arms aid for the contras.

Israel has repeatedly denied providing money or arms to the contras, though it has previously been reported that the Israelis did indeed provide such aid.

The intelligence committee report quoted Regan as testifying that the subject of the arms shipment was not raised in the portion of the Reagan-Peres meeting he attended.

And it said, "Regan testified that the president never told him what came up in a 15-minute private meeting between the president and the prime minister."

Sources said last night that the committee established that Israel did ship the arms but that the panel was not able to determine whether the president discussed the matter with Peres.

The incident is also significant, committee sources said, because of a Poindexter note two days before in which Poindexter advised North to "go ahead and make it happen" as a "private deal . . . that we bless." The "private deal" Poindexter referred to was between retired Air Force major general Richard V. Secord, a key North associate in the effort to aid the contras, and Rabin, according to the Poindexter note quoted in the report.

Poindexter talked to CIA Director William J. Casey that morning about Secord, according to the report, and "Poindexter instructed North to keep the pressure on" Casey to "make things right" for Secord, who was running the contra resupply operation.

The report's 22-page section entitled "Support to the Nicaraguan Resistance" shows that:

As early as Nov. 22, 1985, according to a White House document of that date cited in the report, North and Secord were involved in transporting arms for the contras using funds from what North called "our Swiss Company," a reference to a Swiss bank account called Lake Resources. North kept Poindexter informed of these activities and used an operations code that had not been compromised.

New information in the report suggests that North skirted close to the edge of the congressional ban on administration involvement in military aid to the contras. For example, that same White House document showed North telling Poindexter he would meet with contra leader Adolfo Calero "to advise him of the delay in the arrival of the arms," a reference to an arms shipment to the contras that was held up.

The report quotes North as telling Attorney General Edwin Meese III that he contacted Calero early last year, apparently to discuss diverting profits from arms sales to Iran to the contras, and that three Swiss bank accounts were set up as a result of that contact. North gave the numbers of those bank accounts "to the Israelis, and money was deposited in those accounts. North guessed the money got to the contras; they knew money came and were appreciative," North told Meese, according to the report.

Elliott Abrams, assistant secretary of state for Latin American affairs, apologized to the intelligence committee for "withholding information" about soliciting a \$10 million contribution for the contras from a foreign government. Abrams, testifying under oath last Dec. 8, said he did not realize until shown a transcript of his Nov. 25 testimony that it "clearly left a misleading impression." The foreign country has been identified elsewhere as Brunei.

The committee report indicates that Abrams made no real effort to ensure that the money given by Brunei was used for "humanitarian" purposes by the contras. Abrams and other administration officials have said that it was legal to solicit humanitarian aid from other nations.

According to the report, Abrams and Charles Hill, executive assistant to Secretary of State George P. Shultz, decided to use a Swiss bank account opened by North for the Brunei donation "without procedures for monitoring expenditures from the account."

The report connects that bank account to the profits from clandestine U.S. arms sales to Iran. The committee said the account number Abrams received from North for the Brunei donation was that of an account used by Secord and his business partner, Albert Hakim, to receive profits from clandestine U.S. arms shipments to Iran—in which Secord and Hakim were also deeply involved.

■ At least seven weeks before his Nov. 21 testimony, Casey knew a good deal about possible diversion of money from Iran arms sales to the contras, but he did not mention it to the Senate committee. Under the law, the Central Intelligence Agency is supposed to inform the committee of any possible illegality, and weeks before Casey had suggested to Poindexter that North obtain legal counsel.

Casey also did not tell Meese about possible diversion of money to the contras during a meeting at Casey's home on Saturday evening, Nov. 22. The report said, "Meese recalled no mention of the contras, Nicaragua, anti-Sandinistas, Democratic resistance, freedom fighters or Central America. At one point he said it was possible Casey may have mentioned something similar, but he subsequently said he was sure Casey did not mention the possible diversion of funds."

The morning of Tuesday, Nov. 25, before Meese went on national television to disclose that his inquiry had uncovered a contra fund diversion, Casey called him at 6:30 a.m. The two met again at Casey's home at 7 a.m.

"Meese could not recall the conversation [in testimony to the intelligence panel], except that it was generally about the situation and what Meese had learned," the report said. Later that day Casey wrote a letter to Meese describing when and how he had learned of the possible diversion.

Two Republican sources intimately involved in drafting and approving the report said last night it

describes a "cover-up" by senior administration officials, particularly Casey, to keep the Senate committee and its House counterpart from learning of the diversion of funds to the contras.

Two days before Meese's public statement, according to the report, former national security adviser Robert C. McFarlane met with North. "According to McFarlane, North arrived at 12:30 p.m. and the two had a private discussion for about 15 minutes. North said he would have to lay the facts out for the Justice Department later that day on the diversion of Iran money to the contras. McFarlane testified that North also stated it was a matter of record in a memorandum North had done for Poindexter. McFarlane asked if it was an approved matter and was told that it was.

"According to McFarlane, North stated that McFarlane knew North wouldn't do anything that was not approved," the report said.

It is not clear what that memorandum might be, but the report refers to an undated, unaddressed memo written on or after April 4, 1986, that was found in North's safe. It said that \$12 million of the funds from the Iran arms "would be used to purchase critically needed supplies for" the contras. "At the bottom of the page on which this discussion appears was a recommendation that presidential approval be obtained for certain parts of the plan for the Iran program that did not include the diversion of funds," the report said.

The report also said this memo was found by a Justice Department

official (identified previously as Assistant Attorney General William Bradford Reynolds) in an NSC file with instructions for McFarlane's secret mission to Teheran in May 1986 that Regan had approved. But the intelligence committee found no documents and heard no testimony that the president saw the undated memo on the diversion of funds to the contras or knew its contents.

The report contains no information that the president did have knowledge of the diversion and says he never met alone with North, though North was in 17 meetings with him during 1985-86.

According to notes taken during a Meese interview with North, the former NSC aide estimated that \$3 million to \$4 million went to the contras, and Meese's public estimate of \$10 million to \$30 million was based on taking the North estimate plus the \$12 million mentioned in the memo found in North's safe and multiplying this by the three arms shipments believed to have been made.

Eight days before Meese publicly revealed the diversion of funds from Iran arms sales to the contras, a White House chronology labeled "maximum version" contained a handwritten addition to a list of "Iran program accomplishments" that said: "Nicargua (sic)," according to the intelligence committee report.

When Meese informed the president of the diversion of funds on Nov. 24, according to the report, "Meese said the president looked shocked and very surprised, as did Regan, who uttered an expletive."