

WASHINGTON POST  
22 January 1987

# U.S. Discussed Arms, Captives With Iran Again Last Month

*Shultz Says Contacts Continued Despite His Orders*

By Don Oberdorfer and Walter Pincus  
Washington Post Staff Writers

Secretary of State George P. Shultz testified yesterday that, despite his objections, U.S. officials continued to meet secretly with Iranians about arms and hostages as recently as last month, weeks after the Iran-contra scandal had erupted and the State Department supposedly had been put in charge of Iran policy, according to congressional sources.

Shultz told a three-hour, closed-door session of the House Foreign Affairs Committee that he authorized a Dec. 6 meeting in Europe of State Department and CIA officials with Iranian contacts, according to sources familiar with his testimony. But Shultz said he was astonished to learn that the Iranians had arrived with a nine-point "agenda," which included acquisition of American TOW antitank missiles and spare parts for Hawk antiaircraft missiles, the release of 17 Islamic Jihad terrorists held in Kuwait and the release of American hostages held by pro-Iranian extremists in Lebanon.

President Reagan had announced publicly Nov. 19 that no more arms would be furnished to Iran. But at the meeting in Europe, the Iranians insisted that the agenda had been worked out in earlier discussions with National Security Council representatives, according to an account of Shultz's presentation. Shultz added that when he discovered to his dismay that this was true, he immediately ordered that the U.S.-Iranian discussions end.

The secretary told the committee he was

furious to discover a few days later that, despite his instructions, CIA officials resumed the discussions with the Iranian contacts. Shultz "raised hell" when he found out, one lawmaker said yesterday.

Prior to Shultz's disclosure yesterday, the last known meeting between Iranian and American officials, including CIA officials and Lt. Col. Oliver L. North of the NSC staff, took place in Geneva Nov. 8-10, in the week after disclosure of the Reagan administration's Iranian initiative by a Lebanese magazine. No details of this meeting have been disclosed.

On Dec. 6, the day that U.S. and Iranian officials were meeting again in Europe, Reagan said in his Sat-

urday radio broadcast that his efforts to forge relationships with "moderates" in Iran had been "broken off" after they were publicized. He added that "it was not my intent to do business with [Ayatollah Ruhollah] Khomeini, to trade weapons for hostages."

Shultz, who has said he opposed trading arms for hostages from the time the issue first arose in 1985, has also adamantly opposed pressuring Kuwait to release the terrorists it is holding for a series of 1983 bombings. The release of these prisoners has been a consistent demand of the Islamic Jihad group holding American hostages in Lebanon.

The State Department has denied repeated rumors from the Middle East that the United States is pressuring Kuwait about the prisoners. A participant at yesterday's hearing said Shultz's testimony seemed to explain why he sent a message to Kuwait's foreign minister later in December reaffirming that the United States is not linking freedom for the terrorists being held there with release of U.S. hostages in Lebanon.

In his testimony, Shultz also provided new details about U.S. efforts to solicit aid from other governments to aid the contras fighting the government of Nicaragua. Previously Shultz had said he was aware of only one such appeal, apparently the previously reported solicitation of money from the sultan of Brunei by a senior State Department official.

Yesterday, however, he testified that he had learned about several others, including a U.S. request for communications equipment for the rebels, according to sources familiar with the testimony. It was unclear which nations were solicited, by whom and why Shultz had not previously disclosed the requests.

Shultz began his testimony by reading for about an hour from a detailed description of his knowledge and actions concerning the Iran policy and the contra connection. The document he read was stamped "top secret" and, contrary to normal practice, no copy was submitted to the committee in advance or made available as he spoke.

Committee members, who were reluctant to discuss details of Shultz's testimony, expressed confidence in the secretary of state; some said his story was more credible to them than accounts they had heard from CIA Director William J.

Casey, former national security adviser Robert C. McFarlane and others involved.

"Shultz presented the political equivalent of a legal brief with every date and detail well documented," said Rep. Robert G. Torricelli (D-N.J.). "He did more than separate himself from the administration on Iran—he built a wall."

"There was a very good feeling on both sides that Shultz was very candid and forthright on his role," said Rep. William S. Broomfield (Mich.), the committee's ranking Republican. He added, however, that "the real players are the ones we haven't heard from"—North and Vice Adm. John M. Poindexter, a former national security adviser. Both have declined to testify, asserting their Fifth Amendment rights against self-incrimination.

Committee Chairman Dante B. Fascell (D-Fla.) expressed confidence in Shultz after hearing his statement and called on the administration to provide "more evidence that he has full support and authority to begin to put the pieces back together in terms of foreign policy."

Meanwhile yesterday, acting CIA director Robert Gates said at a closed session of the Senate Foreign Relations Committee that the

analytical side of the intelligence agency was unaware of the White House Iran initiative, according to congressional sources.

Gates said that former deputy CIA director John A. McMahon opposed the sale of arms to Iran at a key NSC meeting in December 1985. McMahon attended the meeting because Casey was out of town.

A month later Casey, who supported the arms program, played a key role in winning approval of a Jan. 17 presidential intelligence "finding" that authorized direct sale of U.S. arms to Iran.

Gates also said that in 1985 and last year agency analysts sent reports to the White House that "downplayed" the chance for any U.S.-Iran rapprochement, even if Khomeini died, according to the sources. It has been previously reported, however, that some elements in the CIA urged as early as spring 1985 that the U.S. government consider easing its worldwide arms embargo against Iran and work toward better relations with Tehran.

Sen. Claiborne Pell (D-R.I.), chairman of the Senate panel, said after the hearing, "I remain convinced that our national interest would have been better served if we had listened to the advice of professionals." He added he believed CIA officials had advised against the arms sales.