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## **Chronology Of Selected Statements Concerning Diversion Of Iran Arms Payments To Nicaraguan Contras: Nov. 25-27**

*by Deborah Tyroler*

*Category/Department: General*

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Nov. 25: US Attorney General Edwin Meese informs media that between \$10 and \$30 million paid by Iran to the US in secret arms deals were deposited by a third country in secret Swiss bank accounts for use by the Nicaraguan contras. Meese said the operation was headed by Lt. Col. Oliver North, second in command of the National Security Council. North was fired and his chief, presidential national security adviser, Vice Admiral John Poindexter resigned. In one of the first congressional reactions to these revelations, Sen. Thomas F. Eagleton said North had been directing his own wars from the basement of the White House. He referred to the revelations as "incredible." Two high-level contra leaders deny knowledge of diversion of arms payments to accounts for their use. In Miami, FDN chief Adolfo Calero said, "We know absolutely nothing about the money mentioned today," and denied the contras had any Swiss bank accounts. Calero claimed that throughout 1986 the contras had received between \$300,000 and \$500,000, in addition to the humanitarian aid dispersed by the US Congress. Next, he denied North had discussed money questions with contra leaders, while admitting that the NSC official had acted as the principal link between the FDN and President Reagan. North, he added, had coordinated meetings between contra leaders and Reagan. UNO leader Arturo Cruz said his organization had no intention of investigating what happened to the money from Iranian arms purchases. He stated the affair was a domestic concern of the United States. Avi Pazner, spokesperson for Israeli Prime Minister Yitzhak Shamir, said Israel had sent arms to Iran in the name of the US. The spokesperson declared that an Iranian representative deposited payments for the arms directly into a Swiss bank account as per instructions by the US. Israel, he said, was not involved in the transfer of money from Iran to the US. Finally, according to Pazner, Israeli authorities had no knowledge of the use of arms payment monies by the Nicaraguan contras. State Department spokesman Charles Redman said he was unable to inform reporters on whether or not the Department was aware that money Iran paid for US arms shipments had been diverted to the contra forces in Central America. "I'm not sure that any of us are operating in full knowledge of all of the facts as to how much money eventually went where and for what purposes," he said. Nov. 26: Attorney General Edwin Meese said the Justice Department was investigating how the contras received the money. Meese said only North knew the complete details of money diverted to the contras, while President Reagan knew nothing of it until informed by Meese. Contra leaders in San Jose, Costa Rica, deny any knowledge of money diverted from Iranian arms sales. Congressional leaders promise investigation into Iran arms deal and said Congress would probably act next year to cut off aid to the contras. Sen. Dave Durenburger (R-Minn), head of the Select Committee on Intelligence, said, "I bet you it will be a cold day in Washington before any money goes into Nicaragua." Many congresspersons said the diversion of funds violated the Boland Amendment, i.e., a ban on aid to the contras. Sen. Sam Nunn (D-Ga) said Congress is likely to retaliate against the White House, and contra aid is the easiest target. After the cargo plane was shot down in southern Nicaragua, investigations revealed that a large supply operation had been delivering material to the contras for the last two years. Administration officials said the operation had been directed by North. Meanwhile, a congressional investigator said, "We were

never able to figure out the funding." Contra and Administration officials insisted the money came from anonymous private donors. Arms shipments to Iran began in fall 1985, although Meese said Iranian payments began in January this year. Congressional investigators and US intelligence officers monitoring the arms flow to the contras told Congress last month they had detected a large increase in material deliveries beginning in April or May. At a press briefing in Washington, State Department spokesman Charles Redman said Elliott Abrams, Assistant Secretary of State for Inter-American Affairs, was not aware of the aid going to the contras via diversion of profits from Iranian arms sales. He added that State Department officials were not informed of said diversion of funds. Moreover, according to Redman, although State monitors the use of government monies by the contras, it was not specifically informed as to private or other sources of contra aid. When asked about the possibility of a resignation by Secretary of State George Shultz, the spokesman said a report by CBS radio to that effect was "absolutely false." According to Redman, "the Secretary has every intention of staying the course." At a press conference in Washington, Sen. John Kerry (D-Mass.) said the shipment of arms to Iran and the illegal transfer of money to the contras constituted the "most significant foreign policy crisis of recent memory, and perhaps one of the most significant in a long, long time." As a result, he said, it is imperative that the President appoint an independent, special prosecutor "in order to pursue the many allegations that are at large surrounding these issues." The Senator pointed out that he had been investigating for nearly a year the network established and operated by North from the National Security Council to support the contras. "During that time, my staff has talked with dozens of sources who have made allegations regarding illegal US military assistance to the contras, gunrunning, narcotics smuggling, bombing plots and other matters which literally shock the conscience. In the course of my investigation, I and my staff met with representatives of the Justice Department on a number of occasions, the first of which took place in early May of this year. At the meeting were representatives of the State Department, the CIA, the FBI and the DEA. At that meeting and at later meetings with Justice, I and my staff laid out many of these allegations and asked that they be investigated." According to Kerry, his staff was informed privately by Justice Department personnel that the charges were under investigation. "And yet most of the sources with whom we had talked were never addressed or talked to, and most of the leads were never followed up." Next, Kerry mentioned that a public statement issued by the Justice Department on the "very same day of that meeting" said the Department had interviewed "all the witnesses that my office had interviewed and that in essence there was no truth to any of the allegations. Further, representatives of the State Department and Justice Department each engaged in attacks on the credibility of the witnesses who had talked with my office and suggested there was no substance to any of the charges. I invited the Justice Department to meet further with my staff on several occasions so that we could provide Justice with more information regarding the substance of these allegations. The Justice Department never called my staff to set up an appointment. Kerry then mentioned a letter dated July 21 to Attorney General Edwin Meese. The Senator quoted the letter as follows: "There is sufficient evidence of criminal activities by the Contras to warrant a full-scale Congressional probe as well as a thorough investigation by the Justice Department, of the law that no US official provide direct or indirect military assistance to the Contras." Kerry said the Attorney General never replied in writing to the letter. But, he added, his staff was informed orally by a Justice Department official that the Department "considered the Boland Amendment to be unenforceable and that no investigation was necessary." Kerry stated that after the letter to Meese, he renewed the request for a complete investigation within the Senate Foreign Relations Committee. According to the Senator, the Committee agreed to investigate allegations of drug trafficking by the contras. "[I]n pursuit of that agreement, Senator Lugar and

Senator Pell sent a letter to the Attorney General on August 5 requesting information on individuals and organizations concerning allegations of the violations of these laws for providing aid to the Contras. The information requested was quite specific. Until last week, the Justice Department [had] refused to provide a single document in response to that letter. Last week one document was provided a trial transcript of a San Francisco narcotics case from the public record which involved allegations involving the Contras." Kerry then claimed the Justice Department continues to "stonewall the Foreign Relations Committee on all the other documents relating to narcotics and the Contras. Moreover, even when I tried to provide specific witnesses to the Justice Department who had direct information regarding the violation of these laws, we had difficulty for many, many weeks getting cooperation, a position I believe only changed subsequent to the elections." Kerry said his office continues to receive new information regarding the "North network, the contras, and the allegations of illegal narcotics smuggling as well as other violations...We have been told for more than a year...of the vioaltions that were being created by this private network...And for more than a year they have been part of the discussion in Foreign Relations Committee hearings with officials from the State Department and elsewhere, and for more than a year they have been ignored." As a result of the Justice Department's "track record" in responding to the above allegations, Kerry said that in the interest of restoring credibility, "we have no choice but to appoint a special prosecutor..." The Senator said he was "personally confident" on the basis of information he has that the "Iran-contras connection will prove to be merely the first of several mechanisms by which this North network has supplied illegal aid with disregard of the law and of the intent of Congress." "I am confident that the contras have received drug money. They have received illegal shipments of weapons, and...US officials knew of it. I have also heard allegations of a pattern of double billing on other US military contracts which have assisted in the supply of the contras. And I look forward to a full investigation of those allegations as well." Nov. 27: Members of Congress indicated that further funding of the contras appeared unlikely in light of the diversion of money from Iran arms sales to the contras. Rep. Dave McCurdy (D-OK) said, "I cannot see further aid. The Contras are on their own." To the present, the contras have received \$60 million of the \$100 million aid allocation. The aid bill specified that \$40 million in heavy weapons would be deferred until February. To halt the disbursement of the remaining money would require a vote by both houses, and subject to a presidential veto. Congresspersons said they expected the \$40 million payment to go forward, but that a fight in Congress would come over the next request for aid. Contra leaders said money diverted from Iran arms sales may have been spent on air drop supplies, but that they did not know who would have arranged such flights. The leaders insisted they had not directly received any of these funds. UNO chief Adolfo Calero said, "We don't know who paid for these flights and services, who arranged for them, [and] we don't know their magnitude. This was a matter for the United States; we have not violated American laws." He added, "We know absolutely nothing about the money that has been referred to. I'm denying that we have received or used the money that is being talked about. We have no bank accounts in Switzerland nor access to any Swiss bank accounts." Calero said UNO had received less than \$1 million this year from private sources. Attorney General Edwin Meese said messages intercepted by the National Security Agency and the CIA played an important role in tipping off the Justice Department to money being diverted to the contras. According to the NEW YORK TIMES, the precise nature of the messages was not clear. Former Vice President Walter Mondale said he learned from a Republican source that the White House tried to cut off State and Defense from the flow of intercepts. Secretary of Defense Caspar Weinberger reportedly threatened to bar the release of arms for the deal with Iran unless he was shown the message traffic. The State Department apparently was not permitted to see the intercepts

relating to Iran during the period of arms sales. (Sources: Several reports by NEW YORK TIMES, ASSOCIATED PRESS)

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