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Disclosure threatens all funds for rebels

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The elaborate scheme cooked up by a few White House aides to aid the Nicaraguan resistance with profits from Iranian arms deals may end up killing all U.S. aid to the rebels — including part of the $100 million package Congress approved in October.

"I don't know who knew what was going on, but I suspect it will be a ld day in Washington before any ore money goes to Nicaragua," id Sen. Dave Durenberger, Minnesota Republican and chairman of the Senate Intelligence Committee.

The National Security Council, Mr. Durenberger said, "may have killed" the president's hopes of continuing aid to the Nicaraguan rebels.

A State Department official who asked not to be named said "doubts will be raised" in January, when Congress could block the release of as much as $60 million of the $100 million in U.S. aid that was approved last month.

The new Congress could refuse to release the remaining portion of the $100 million package by passing a resolution of disapproval. The resolution, however, could be vetoed by the president. A veto could be overridden by a two-thirds vote in the House and Senate.

"The issue will be clouded," the official said. "The perspective will be lost. The issue will not be decided on the merits of trying to overthrow the Sandinistas, but on Iran and the National Security Council."

Sen. Claiborne Pell, who is expected to become chairman of the Senate Foreign Relations Committee when Congress reconvenes Jan. 6, said, "Congress may be a little less sympathetic for military aid for the ontras."

Sen. Sam Nunn, the Georgia emocrat in line to become chairman of the Senate Armed Services Committee next year, said he remains supportive of rebel aid, but future support has been "put in jeopardy."

"I don't think it [the Iranian situation] should be determinative of what we do in Central America," Mr. Nunn said. "I think the Reagan administration must understand they cannot abuse democracy here at home and the laws here at home in order to foster or promote democracy abroad."

Robert Kagan, an official in the State Department's office of public diplomacy, predicted that Congress will not curtail aid to the rebel forces. "The policy was approved on its merits. After the dust settles, Congress will continue to support the policy."

Republicans and Democrats yesterday also called for investigations into possible violations of a law, which expired in October, that banned for two years U.S. military aid to the rebels.

The requests for congressional probes came after Attorney General Edwin Meese III announced yesterday that as much as $30 million Iran paid Israel for American weapons was diverted to the rebel forces.

Mr. Meese said National Security Council Deputy Director Oliver North, who was fired from the NSC yesterday by President Reagan, is "the only person in the U.S. government who knew precisely about" the transfer of funds to rebels battling the Marxist Sandinista government.

Elliott Abrams, assistant secretary of state for inter-American affairs, said he did not know the profits from the arms sales were being funneled to the rebels.

"It is extremely likely the Contras [Nicaraguan resistance forces] didn't even know where the money was coming from," Mr. Abrams said of deposits made in Swiss bank accounts held by the rebel leaders. If North didn't tell the secretary of ate or the DCI [Director of Central telligence William Casey], why would he tell a bunch of Nicaraguans?"

Rebel leader Adolfo Colero denied receiving the funds diverted from the arms sale. Mr. Colero also denied having a Swiss bank account.

Walt Riker, a spokesman for Senate Majority Leader Robert Dole, Kansas Republican, said it is premature to speculate on future funding for the rebel forces.

"We stay strongly committed to the Contras and the principle they are fighting for — the Marxist dictatorship and the nightmare that has resulted," Mr. Riker said. "We have to find out what, if any, laws are broken and get to the bottom of it."

Last year, Congress approved $27 million in non-lethal aid for the rebels but specified that the U.S. government could not provide any additional funds directly or indirectly through a third nation.

Xavier Arguello, a rebel spokesman in Washington, said he "regretted" that Col. North lost his job. He praised Col. North as a man who "risked his career for us because he believed in our cause and the cause of democracy."

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