

CBS EVENING NEWS

7 June 1983

U.S./NICARAGUA/  
OVERVIEW

RATHER: Good evening, this is the CBS Evening News. Dan Rather reporting. The United States late today retaliated for Nicaragua's expulsion of three American diplomats yesterday. It was a retaliation, Bill McLaughlin reports, of unexpected scope and severity, one that leaves U.S.-Nicaraguan relations dangling by a thread.

MCLAUGHLIN: Nicaraguan Ambassador \*Antonio \*Harkeen was summoned to the State Department this afternoon to get the U.S. response to Nicaragua's expulsion of three U.S. diplomats accused of trying to poison its foreign minister. The ambassador was handed the stunning demand that Nicaragua close down all six of its consulates in the U.S.: New York, Miami, New Orleans, Houston, Los Angeles, and San Francisco, where the moving has already begun, in 24 hours. The ambassador was also told that 21 consular employees and their families must leave too. A Nicaraguan diplomat in Washington protested the action. MANUEL CORDERO: It is obviously not a good step, we think.

MCLAUGHLIN: A State Department spokesman said the tough reaction was due in part to the treatment received by the three expelled U.S. diplomats. They arrived back in the U.S. today looking almost cheerful. LINDA PFEIFEL: We categorically reject the absurd charges against us.

MCLAUGHLIN: Nicaragua's Sandinista radio claimed one victory today when the House Foreign Affairs Committee voted 20 to 14 to end all covert actions against Nicaragua. STEPHEN SOLARZ (D-N.Y.): The primary purpose of what we're doing in Nicaragua is not to bring about an end to the flow of arms from Nicaragua to Salvador, but in fact, to overthrow the Nicaraguan government which is not in the final analysis the business of the United States. HENRY HYDE (R-Ill.): I suggest that you haven't read history if you don't know that Hitler would never have been defeated without effective covert aid.

MCLAUGHLIN: The administration believes the House Committee vote comes at an especially bad time. It is concerned that it may weaken the bargaining position of its special envoy to Central America, Ambassador Richard Stone, who is due to arrive in Nicaragua for talks at the end of this week. However, at this low point in relations between the two countries, those talks may be restricted to mutual accusations. Bill McLaughlin, CBS News, the State Department.

ABC WORLD NEWS TONIGHT

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CONGRESS/  
NICARAGUA

BRINKLEY: Another congressional committee controlled by the Democrats, House Foreign Affairs, voted today to deny President Reagan any money for covert secret operations in Nicaragua. It voted instead to give the money to other countries in Central America and to see if they can do anything to help while keeping the United States out of it. Here's ABC's Bill Greenwood at the U.S. Capitol.

GREENWOOD: The committee spent three weeks secretly reviewing the not-so-secret CIA operation in Nicaragua. Today the committee's Democratic majority said it didn't like what's going on, and voted 20-to-14 to halt funds for the covert activities. The House Intelligence Committee had initiated the cutoff five weeks ago. It shares jurisdiction and asked the Foreign Affairs Committee to reinforce its decision. The result was a lot of partisan finger-pointing. REP. HENRY HYDE (R-Ill.): Why do we keep making the hemisphere safe for Russians and communism? We do it again and again in the name of enlightened foreign policy. It boggles the mind.

GREENWOOD: Democrats argued that the CIA's objective was not to just halt the shipment of arms to El Salvador, but to also topple the government of Nicaragua. REP. LARRY SMITH (D-Fla.): The whole world is laughing at us. Everyone knows exactly what we're doing. REP. GERRY STUDDS (D-Mass.): It has nothing whatever to do with interdiction of arms. And they are actively seeking to trigger a civil war in which thousands of innocent people seem certain to die.

GREENWOOD: Committee Republicans warn that a halt to covert CIA help could cost the lives of Americans. REP. GERALD SOLOMON (R-N.Y.): As I see it the other alternative, one alternative, is direct overt aid, which could lead the U.S. direct involvement, (sic) including U.S. military people, fighting in a war.

GREENWOOD: Still, the result of all this may be more psychological than real. For even if the cutoff is approved by the full House, it must survive the Republican-controlled Senate, and the threat of a presidential veto. Bill Greenwood, ABC News, on Capitol Hill.

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CONGRESS/  
NICARAGUA

MUDD: By a vote of 20-to-14 the House Foreign Affairs Committee this afternoon cut off what they called covert aid, undercover aid, to the guerrillas in Nicaragua who are trying to bring down the Sandinista government, but in its place the committee approved an \$80 billion in aid to friendly governments in the region. Here's Liss Myers on Capitol Hill.

MYERS: For the past two years, the CIA secretly has armed and supplied anti-Sandinista rebels in Nicaragua and Honduras. The bill would stop all such assistance. It also would prohibit any future secret CIA activity that would support, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement or individual. The committee rejected the administration's claim that the covert activity was aimed at stopping the flow of arms from Nicaragua to leftist guerrillas in El Salvador. REP. STEPHEN SOLARZ (D-N.Y.): The primary purpose of what we're doing in Nicaragua is not to bring about an end to the flow of arms from Nicaragua to Salvador but in fact to overthrow the Nicaraguan government which is not in the final analysis the business of the United States.

MYERS: Republicans charged that the committee was aiding and abetting communism. REP. HENRY HYDE (R-Ill.): Why do we keep making the hemisphere safe for Russians and communism? REP. LAWRENCE SMITH (D-Fla.): I resent very strongly the implications that I hear from this administration and from others who are suggesting that anyone who disagrees is not a true American.

MYERS: For political protection committee Democrats authorized \$80 million in aid to help friendly Central American governments combat the arms shipments. The bill is primarily a political statement designed to embarrass President Reagan and to put distance between Democrats and whatever happens in Central America. Democratic leaders concede it has no chance of becoming law. Liss Myers, NBC News at the U.S. Capitol.

MUDD: Because the bill has so little chance, the White House reaction to the vote this afternoon was very subdued, and press secretary Larry Speakes was content to say only, 'The vote constrains the executive's policy tools to deal with the complex situation.'

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SECRET FUNDS/  
GENERAL

BRINKLEY: An Air Force Major General, Richard Collins, years ago was in West Germany in charge of handling secret payments of money for the CIA to intelligence sources. Now he is accused of handling some of the money into his own bank account in Switzerland. He denies it. ABC's John McWethy, at the Pentagon.

MCWETHY: Richard Collins retired from the Air Force in 1978 with the rank of Major General. After he left the service, government investigators discovered that Collins allegedly had diverted \$445,000 in funds that were supposed to be used for financing covert operations in Europe. Pentagon sources claim that Collins, in his job as Director of Plans and Policy for America's European command in Stuttgart, West Germany, was in essence the banker for secret operations of the CIA and military. Sources say he handled millions of dollars in numbered Swiss bank accounts to pay informants, defectors, other intelligence sources, and to buy Soviet weapons. Government investigators allege that Collins switched money from the government's secret accounts to his own account, paying out the principal as he was supposed to, but pocketing the interest. Sources claim that Collins was offered a deal--return the money and all charges would be dropped. Collins turned down the offer, according to one official, who speculated that Collins must have believed the government would not try him in open court because of the sensitivity of the operations he bankrolled in West Germany for nearly four years. STEPHEN BRONIS (Collins' Attorney): ...That we believe that the evidence will establish that that amount of money the government claims was misappropriated or the acts of an embezzler, were really used by General Collins for the precise purposes for which he was made custodian of the account.

MCWETHY: The general's attorney also claimed that his client had not been offered a deal by the government, and when the evidence was laid out in court, it would prove that the general had not diverted even a penny of the secret funds. John McWethy, ABC News, the Pentagon.