

WEINBERGER, From A1

The Iran-contra diversions occurred at a time when Congress had barred military assistance to the rebels fighting the Marxist Sandinista regime in Nicaragua.

The coverup of the November 1985 shipment to Tehran was documented during the 1987 congressional investigation of the Irancontra scandal and was an element in the convictions of Poindexter and former National Security Council aide Oliver L. North. North's conviction was later overturned and Poindexter's is on appeal.

Walsh's prosecutors remain convinced that Reagan had advance knowledge of the shipment despite his claims under oath that he did not remember how it came about.

Weinberger, a strong opponent from the start of the secret arms-forhostages dealings with Iran, came under renewed investigation in recent months because of his 1987 testimony about the Hawk shipment. He told the House-Senate investigating committees, in a deposition and in public testimony, that he had not known the transfer was going to take place and was not aware of Israel's desire to have the Hawks replaced from Pentagon stocks of the missile. · Prosecutors recently obtained Weinberger's handwritten notes of various meetings suggesting that he knew more than his testimony indicated, sources said, although the nature of the evidence could not be determined.

With Walsh's special grand jury about to go out of business last week, the sources said, prosecutors notified the former defense secretary's lawyers that they had what they considered a strong perjury or obstruction case against Weinberger and were prepared to obtain an indictment unless he agreed to provide evidence that would implicate Reagan.

Weinberger's attorneys reportedly asked for more time to consider the matter and Walsh agreed to give them two weeks despite the urging of his top prosecutor, Craig Gillen, and others on his staff to act before the grand jury's term expired Friday.

In the view of several outside observers, Walsh "blinked." Sources said his decision to let the special grand jury go makes an indictment of Weinberger less likely, even if Weinberger remains adamant. Another grand jury could return an indictment, however.

Weinberger's lawyer, Robert S. Bennett, refused to comment on the reports of a threatened indictment. Walsh's office also declined to comment.

"My client has done absolutely nothing wrong," Bennett said. "He has been a fierce opponent of the Iran initiative. He even disagreed with former president Reagan on the issue and he has cooperated fully with the congressional investigation as well as the Office of Independent Counsel."

Reagan has given differing accounts of his knowledge of the November shipment. Testifying before his own Special Review Board, headed by the late Sen. John Tower (R-Tex.) on Jan. 16, 1987, Reagan said he did not remember how it came about but when he learned of it afterward, he objected to it and the Hawks were returned by Iran to Israel.

At a second appearance before the board on Feb. 11, 1987, Reagan said that both he and his chief of staff, Donald T. Regan, "cannot remember any meeting or conversation in general about a Hawk shipment," according to the board's final report, Reagan also told the board that he could not remember anything about "a callback of the Hawks," which Iran returned because they were not the latest models of the weapon.

Three years later, at a Feb. 16, 1990, deposition for Poindexter's trial, Reagan said he could only "recall learning that there had been at some point a shipment of Hawk missiles by Israel to Iran." He said "the only concern of ours was that it was customary that we did not or would not replace weapons that were delivered by us to a country if that country then sent them on or sold them to another country."

The former president also said he remembered "learning or hearing" at some point that the Israelis had sent some of their Hawk missiles to Iran "apparently ... in return for some, perhaps, hostages of their own or the people that were held."

Reagan went on to say that one

thing he remembered about the Hawk episode "was the unusual nature in which delivery was to be based on a freeing of someone's hostage. If the plane reached a certain point without that happening, it would turn back. And I just thought that was a most unusual thing. And that is why it probably—that much stuck in my memory."

According to testimony before the Iran-contra committees, Reagan was briefed just two days before the November 1985 shipment was to take place by his then-national security adviser, Robert C. McFarlane, during a break at the Geneva summit with then-Soviet leader Mikhail Gorbachev. McFarlane outlined a plan that Hawk mis-

siles would be transported from Israel to Portugal and then to Iran in phased shipments. With each group of missiles, American hostages would be released simultaneously. Portugal never gave permission for the planes to land, however, and the flights went from Israel to Iran via Cyprus.

Then-Secretary of State George P. Shultz was at the Geneva briefing and later testified at the Irancontra hearings that in November 1986, as the scandal was unfolding publicly, he reminded Reagan of the McFarlane briefing.

Walsh told reporters Thursday after a final meeting with his grand jury that the investigation was not over. He did not elaborate, but

said that if the need arises, he can always present matters to a regular grand jury or seek appointment of another special grand jury.

Several sources familiar with the investigation were skeptical that he would take any action against Weinberger. "I think Judge Walsh is very undecided about what to do," said one. "He showed that by letting the grand jury go out of business. The cosmetics of that are pretty significant."

Friends of Weinberger predict he will stand firm in any event. "If Cap was willing to make stuff up, he could walk away from this tomorrow," said one. "He's not going to do it. He's not protecting anyone."