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CULVAHOUSE, ARTHUR B.:FILES
IRAN/ARMS TRANSACTION: APRIL 11, 1985 ALTERED
MEMO (1 OF 4)
CFOA 1131

Withdrawer

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
164664	MEMO	OLIVER NORTH TO ROBERT MCFARLANE, RE: FDN MILITARY OPERATIONS	3	4/11/1985	B1
164665	LIST	FDN EXPENDITURES AND OUTLAYS JULY 1984-FEBRUARY 1985	2	4/9/1985	B1
164666	LIST	CENTRAL AMERICAN MILITARY OPERATIONS	8	ND	B1
164667	MEMO	OLIVER NORTH TO ROBERT MCFARLANE, RE: FDN MILITARY OPERAITONS (ALTERED TEXT)	3	4/11/1985	B1
164668	LIST	DUPLICATE OF #164665	2	4/9/1985	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
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THE WHITE HOUSE
~~WASHINGTON~~

June 5, 1987

NOTE FOR: AE

FROM: Bill

Per your request

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cdh 5/31/94

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Iranian Arms Sales/Contra DiversionCONTROL FORM FOR TOP SECRET (TS) -
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Dated Feb 14, 1985
☐ LTR ☐ LHM ☐ REPORT ☐ TELETYPE ☐ AIRTEL ☒ MEMO ☒ OTHER C 44W020482Captioned: Memo's Report to McPARKER RE: FDN Military Operations

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6		

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☐ APPROVAL	INFORMATION
☐ COMMENT	PREPARE REPLY
☐ CONCURRENCE	RECOMMENDATION
☐ DIRECT REPLY	RETURN
☐ DISPATCH	SIGNATURE

REMARKS:

cc: Oliver North (#2 and 3)
Jim Radzinski (#4)

11 Apr 86

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MEMO (1 OF 4)

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TAB

A

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ID	Document Type Document Description	No of pages	Doc Date	Restric- tions
164666	LIST CENTRAL AMERICAN MILITARY OPERATIONS	8	ND	B1

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Freedom of Information Act - [5 U.S.C. 552(b)]

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REMARKS:

cc: Oliver North (#2 and 3)
Jim Radzinski (#4)

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MEMORANDUM

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NATIONAL SECURITY COUNCIL

SYSTEM IV
NSC/ISC-402007

N 10592

April 11, 1985

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ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: FDN Military Operations

Attached at Tab A is a summary analysis of how the FDN has expended funds which have been made available since USG funding expired in May 1984. From July 1984 through February 1985, the FDN received \$1M per month for a total of \$8M. From February 22 to April 9, 1985, an additional \$16.5M has been received for a grand total of \$24.5M. Of this, \$17,145,594 has been expended for arms, munitions, combat operations, and support activities:

- most expenditures have been for purchases of arms, ammunition, and other ordnance items;
- the \$2.5M indicated for upkeep of base camps on the borders includes costs of approximately \$350K per month (an expense which will increase as the number of recruits continues to grow) and \$50K for the operation conducted in Managua against the ammunition depot at the EPS military headquarters;
- the funding has allowed the growth of the resistance from 9,500 personnel in June 1984 to over 16,000 today--all with arms;
- when the May 1985 sealoft arrives (\$5M has already been deposited for this delivery), an additional 6,000 fighters can be equipped and fielded after a 3 week training period;
- the relocation of base camps along the border has been ordered for mid to late April 1985 in order to disperse the target for a Sandinista attack (cost for this relocation have not yet been fully quantified);
- the acquisition of two small transport aircraft at the cost of \$186K is prudent given the increased patrolling activity by the EPS along the border, thus complicating trail-borne resupply for columns operating deep inside Nicaragua.

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Summary of Operations to Date

The FDN has grown nearly twofold since the cut-off of USG funding. In this period, they have reoriented from conventional to guerrilla warfare tactics. Despite the lack of any internal staff organization (G-1, G-2, G-3, G-4) when the USG withdrew, the FDN has responded well to guidance on how to build a staff. Although there was a basic lack of familiarity with how to conduct guerrilla-type operations, since July, all FDN commanders have been schooled in these techniques and all new recruits are now initiated in guerrilla warfare tactics before being committed to combat. In short, the FDN has well used the funds provided and has become an effective guerrilla army in less than a year.

Future Operations

Plans call for remaining resources (\$7,354,000) to be used as follows:

- increasing the force to a total of 25,000 by mid-Summer;
- a major special operations attack against Sandino airport with the purpose of destroying the MI-24 helicopters and the Sandinista Air Force maintenance capability;
- a major ground operation against the mines complex in the vicinity of Siuna, Bonanza, and La Rosita (Nicaragua)--the purpose of the operation is to secure the principal lines of communication in and out of Puerto Cabezas; and
- the opening of a southern front along the [REDACTED] border which will distract EPS units currently committed to the northern front.

It is apparent that the \$7M remaining will be insufficient to allow the resistance to advance beyond these limited objectives, unless there is a commitment for additional funds. The \$14M which the USG may be able to provide will help to defray base camp, training, and support expenses but will not significantly affect combat operations until early Autumn due to lead-time requirements. Efforts should, therefore, be made to seek additional funds from the current donors (\$15-20M) which will allow the force to grow to 30-35,000. If a commitment for these funds is made between now and June 1985, supplies could be ordered in July, allowing the force to reach these levels by the end of October 1985.

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3

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RECOMMENDATION

That the current donors be approached to provide \$15-20M additional between now and June 1, 1985.

Approve _____

Disapprove _____

- Attachment

Tab A - Summary Analysis of FDN Expenditures

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As of April 9, 1985

FDN Expenditures and Outlays
July 1984 through February 1985

<u>Quantity</u>	<u>Item</u>	<u>Cost</u>
<u>Independent Acquisition</u>		
	G-3 rifles	
	Magazines	
	Rounds 7.62 x 51	
	Rounds 7.62 x 51	
	Hand grenades	
<u>Airlift #1 - February 1985</u>		
	81mm grenades	\$
	60mm grenades	
	50 cal API	
	Rounds 7.62 x 39	
	Rounds 7.62 x 51	
	Freight, Demurrage, Ins., etc.	
<u>Airlift #2 - March 1985</u>		
750,000	Rounds 7.62 x 39	\$ 210,000
1,000	RPG-7 grenades	265,000
8,910	Hand grenades	84,645
60	60mm mortars	96,000
1,472 Kgs	C-4	47,104
	Fuses and detonators	
	G-3 rifles	
	G-3 magazines	
	Cleaning kits	
	60mm grenades	
	50 cal links	
	Freight, Demurrage, Ins., etc.	
<u>Sealift #1 - April Arrival</u>		
	RPG-7 rockets	\$
	Rounds 7.62 x 39	
	Rounds 7.62 x 51	
	Belts for 7.62 x 39	
	SA-7 launchers	
	SA-7 rockets	
	M-79 grenades	
	Freight, Ins., and other exp	
	M-79 grenades	

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FND Expenditures and Outlays
July 1984 through February 1985 (Cont'd...)

<u>Quantity</u>	<u>Item</u>	<u>Cost</u>
<u>Sealift #2 - May Arrival</u>		
	Rounds 7.62 x 39	
	Rounds 7.62 x 51	
	Rounds linked 7.62 x 51	
	Hand grenades	
	M-79 grenades	
	60mm grenades	
	81mm grenades	
	82mm grenades	
	RPG-7 rockets	
	Claymore mines	
	50 cal API	
	12.7 ammo	
	57mm recoilless rifles	
	57mm ammo	
	Anti-tank mines	
	G-3 rifles	
	G-3 cleaning kits	
	AK rifles	
	G-3 magazines	
	AK magazines	
	Swedish K magazines	
	HK-21 machine guns	
	RPG-7 launchers	
	M-79 launchers	
	9mm pistols	
	AK-39 links or belts	
	C-4	
	Fuses and detonators	

Deposit paid
Estimated cost

Miscellaneous Expenses Since July 1984

Uniforms
Boots
Radio and comm equip
Air and ground transp
Military gear
Aid to southern front
Aid to Misuras
Food, family asst,
upkeep of base
camps, air force
hospitals, etc.
Political activity -
offices in various
countries and cities,
travel, p.r.
Acquisition two
transp airplanes

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OFFICE _____

AUTHOR NAME NORTH

TITLE FOR Military OPERATIONS

ORGANIZATION _____

ANALYST AMB MEDIA O CLASSIF CODE T.S

SUBJECT CODE AB 014 AB 016 AD 012 AD 026

AD 028 AD 032 AD 033 AM 018

AM 023 AM 025 AM 032 AM 033

AM 034 AV 005 AB 010 AB 012

OTHER CONTROL #s NS-26 AY 121 AY 026 AY 006

SUBJ/DESC RAMA - use of diverted and/or private funds for

arms purchases

REQUESTING AGENCY (RECEIVING)	DATE, TF RECEIVED REQUEST	COMMENTS	ACTION ON REQUEST	DATE TF COMPLETED	DATE TF COMPLETED
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