

Endowment Votes to End Grants to Group Tied to Iran Scandal

WASHINGTON (AP)—The board of the National Endowment for Democracy voted unanimously Friday to remove federal grants, designed to promote democracy overseas, from an organization mentioned in connection with the Iran-*contra* affair.

The endowment, a federally funded private organization, ended its grant arrangement with the Institute for North South Issues in Washington. The institute was among numerous U.S. organizations the endowment selected to funnel grants to foreign recipients.

No Charges of Wrongdoing

Endowment spokeswoman Diane Bettge said the institute has received \$444,000, most of it already spent, in grants to administer projects in the Caribbean. Institute officials declined to comment on the endowment action.

Endowment President Carl Gershman said there have been no allegations of wrongdoing against the institute. But he also told the

board he wanted no connection between the endowment and the Iran-*contra* controversy.

The institute's initials appeared in a chart found in the safe of Lt. Col. Oliver L. North, the fired National Security Council aide who is a central figure in U.S. arms sales to Iran and possible diversion of money to the Nicaraguan rebels.

It was not clear from the chart what role, if any, the institute might have played in the *contra* supply network. The chart was reproduced by the Tower Commission in its report on the scandal.

Grants administered by the institute, according to the endowment, included:

- Support for a training program for journalists of the smaller Caribbean islands.

- Two grants for educational and research activities in Haiti of the Haitian International Institute for Research and Development.

- The establishment and publication of an independent newspaper in Guyana.