

IRAN/CONTRA

# The Big Ones That Got Away

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Shortly before he banged the gavel for the last time and sent the Iran/contras Congressional hearings into history, Senator Daniel Inouye, chair of the Senate select committee, solemnly intoned, "The story has now been told." Perhaps he meant the *Reader's Digest* version, for the hearings hardly offered a comprehensive account.

Those watching or listening to the hearings did not receive the complete word on Lieut. Col. Oliver North's wide-ranging operations aimed at Nicaragua, did not learn of the possibility that funds other than those generated by the Iran arms deals were diverted to the *contras* and were not told about allegations that Justice Department investigations into *contra* gunrunning were stalled or blocked. The committees were careful not to embarrass the Central Intelligence Agency or to probe matters that might prompt questions about U.S. military alliances, including those with El Salvador and Israel. Also off-limits was the Administration's special operations and counterterrorism infrastructure, which was intertwined with the Iran initiative and the White House *contra* crusade.

Many of the obvious leftover questions—e.g., Was Director of Central Intelligence William Casey the Mr. Big of North's outfit?—as well as much of the conflicting testimony should be addressed in the select committees' report, due out in October. That will have to present in coherent form the voluminous information the committees, to their credit, did unearth. But the summation is likely to contain the same gaps as the hearings, which reflected the capitulation of the Democrats, who, after all, controlled the committees and the terms of the proceedings. Here is a list of some of the subjects the committees ignored, glossed over or left dangling.

§ *The Secret War of Oliver North.* The committees doggedly pursued North's purchase of snow tires with *contra* traveler's checks, then raised the white flag. Testimony and documents offered glimpses of what North and his comrades were up to, but the hearings never developed a total portrait of their war against the Sandinistas. The inquisitors focused mainly on the resupply operation North ran, and all but ignored his management of military and nonmilitary operations within Nicaragua and recruitment of mercenaries for the *contras*.

For example, retired Maj. Gen. Richard Secord testified that at an all-night meeting at the Miami Airport Hotel in July 1985, he and North conferred with *contra* leaders on "the need for [the rebels] to get into some of the urban areas" inside Nicaragua. But Secord refused to discuss this further in an open hearing, and he was asked no more about it. In his testimony North admitted he had authorized David Walker, a former British Special Air Service member, to perform military operations "in Managua and elsewhere, in

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 NATION P. 152  
 Date 29 AUG '87

an effort to improve the perception that the Nicaraguan resistance could operate anywhere." According to a staff member of the committees, the joint panel discovered evidence that Walker may have blown up a Nicaraguan hospital by mistake. But no member or counsel made any public inquiry about that.

In a December 1984 memorandum, North said Walker was referred to him by John Lehman, then Secretary of the Navy. North told national security adviser Robert McFarlane he would finance Walker and set Walker up with *contra* leader Adolfo Calero. What was Lehman's connection to Walker? The committees did not ask. Nor did they inquire about a note North made indicating his interest in signing up a mercenary fresh out of jail.

In questioning North, Representative Thomas Foley alluded to "policies of intimidation" conducted inside Nicaragua, which North apparently mentioned in a closed session. The specifics of that program went unexplained. The committees also kept mum on the "nonmilitary activities" North directed. But North noted during his public testimony that he was involved in publishing "pamphlets" in Managua, running radio broadcasts and supporting the internal opposition in Nicaragua. He remarked that he had an understanding with the committees not to discuss those activities. That agreement was honored.

North's reported control over certain elite military units apparently was also taboo. On July 26, *The Philadelphia Inquirer* revealed that North and the National Security Council "developed and controlled a network of secret military units" that had directly fought Sandinista troops inside Nicaragua [see Alexander Cockburn, "Beat the Devil," *The Nation*, August 15/22]. Only in the waning hours of the hearings, when Secretary of Defense Caspar Weinberger was on the stand, did a committee member refer to this network. Without explaining what had been reported, Senator Sam Nunn asked Weinberger to comment on the article. "Totally untrue," Weinberger replied.

But the committees released a February 1985 memorandum in which North proposed seizing or sinking a ship carrying weapons to Nicaragua. North noted the *contras* were not able to undertake such a task and would have to "be provided with the maritime assets." Attached to the memo was a note from Rear Adm. John Poindexter, then deputy national security adviser, saying that the Boland amendment prohibited such assistance but that the mission could be achieved "without any involvement of Calero and Freedom Fighters." North's memo and Poindexter's com-

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ments indicate that the N.S.C. had some military means at its disposal.

In reviewing North's Central American adventures, the committees scrutinized the participation of the U.S. Ambassador and C.I.A. station chief in Costa Rica, but neglected the El Salvador connection. North's resupply planes flew out of Ilopango Air Force Base, El Salvador's main military airfield, with the blessing and assistance of Col. James Steele, the senior U.S. military adviser to El Salvador, and Gen. Juan Rafael Bustillo, the base commander. Edwin Corr, U.S. Ambassador to El Salvador, reportedly knew of the operation but has denied that charge. In February 1985 Gen. Paul Gorman, then head of the U.S. Southern Command, sent a cable apparently addressed to Thomas Pickering, Corr's predecessor, regarding Felix Rodriguez, the ex-C.I.A. agent who was involved in a so-called counterterrorism campaign against the Salvadoran rebels and who served as North's liaison at Ilopango. General Gorman reported that Rodriguez "has been put into play by Ollie North" and that although Rodriguez was based in El Salvador, his task concerned "forces operating elsewhere" in Central America. "Will keep you informed," Gorman wrote.

What did Ambassadors Pickering and Corr know of North's campaign? What role did Gorman and the U.S. Southern Command play in North's war? What was reported back to the State Department and the Pentagon? Under what agreement was North able to station his resupply outfit on an El Salvador military base? All of those questions went unasked. To have posed them, the committees would have had to take up U.S. military activities and alliances within the region. That evidently was sacred territory.

§ *The Money Trail.* During the hearings, the committees extensively examined several segments of the intricate money pipeline. But certain aspects escaped scrutiny. For example, the committees released arms merchant Albert Hakim's bank records, which disclose all transfers in and out of Lake Resources and his other accounts. One of the many listed transactions not covered shows that Hakim paid more than \$1.7 million to a Portuguese arms firm for a project identified as "CIA" and apparently unrelated to the Iran weapons deal or the *contra* supply operation. What was it?

Hakim's ledger also reveals direct payments to various *contra* leaders. The committees declined to explore how the money was used. In fact, they did not perform any public dissection of *contra* finances. "A big nagging question," said a source who used to work with the rebels, "is, With all the money the *contras* got—from Saudi Arabia, indicted fund-raiser Carl 'Spitz' Channell and Lake Resources—who made the decisions [on] how it was dispersed?"

A draft of an internal Department of Justice memorandum written in November 1986 by Ralph Martin, an attorney in the criminal division, and sent to Assistant Attorney General William Weld, head of the division, reported that the department's fraud division "has conclusively established" that U.S. funds appropriated for so-called humanitarian *contra* aid were "used to buy weapons, an act clearly prohibited by the Boland amendment." That scam, the memo said, was "committed by 'unilateral assets' of the CIA." One *contra*, according to the memo, had informed the fraud division that the head of the State Department's

Nicaraguan Humanitarian Assistance Office, Robert Duemling, instructed him to certify falsely that humanitarian aid had been received.

The committees elected not to bring up at the hearings those portions of the memo, though they did release it to the public. Nor did they address its disclosure that a "preliminary inquiry" gave "rise to reasonable suspicions that North and other officials may have knowingly diverted [to the *contras*] funds other than the arms sale profits and the funds used to ship the arms." [Emphasis in the original.] In fact, shortly before the hearings began, Senators Inouye and Warren Rudman said they had evidence that U.S. funds earmarked for other purposes may have been used to aid the rebels. Yet there was no mention of any diversion other than that of the Iran arms-sale profits.

When Poindexter was on the stand, Representative Les Aspin maintained that a review of the *contras*' finances convinced him that they had received support from sources other than those covered by the hearings, though he was unable to say what those were. Could it be from U.S. covert aid for the Afghan resistance—as some mujahedeen supporters have long suspected—or from another secret program? Was humanitarian aid converted into weaponry? The Justice Department memo raises those possibilities. Did the committees not pursue those leads because a highly publicized investigation into the misuse of nonlethal funds or other diversions could discredit the notion of humanitarian aid or call too much attention to other covert programs?

§ *The Ones Who Got Away.* The list of Iran/*contra* affair figures not called before the hot lights and television cameras is a long one. Two of the biggest fish who did appear but slipped the hook were Attorney General Edwin Meese 3d and Assistant Secretary of State Elliott Abrams.

During Meese's two days on the stand, committee members probed in exhaustive detail the inquiry he conducted into the Iran/*contra* affair in November 1986 and soundly criticized the Attorney General for running a shoddy investigation. But Meese was not forced to answer on national television charges first published in *The Village Voice* that he tried to obstruct or delay a Miami-based Justice Department investigation into *contra* gunrunning. Instead, the House and Senate panels submitted written questions to the Attorney General after he left the stand.

Thus the committees did not inquire publicly about a handwritten note attached to a March 20, 1986, secret Justice Department memorandum concerning the gunrunning investigation. The message, from Associate Attorney General Stephen Trott to Mark Richard, a Deputy Assistant Attorney General in the criminal division, read: "Please get on top of this. D.L.J. [D. Lowell Jensen, then Deputy Attorney General] is giving a heads up to the N.S.C. He would like us to watch over it. Call [Leon] Kellner, find out what is up, and advise him that decisions should be run by you." Kellner is the U.S. Attorney in Miami whose office handled the gunrunning case. The note, penned at a time when the White House was fighting for \$100 million in *contra* aid, shows that high-level Justice Department officials were quite concerned with an investigation that threatened to tarnish the rebels. (Meese is not clear yet; this whole episode is under investigation by the House subcommittee on crime.)

According to Ralph Martin's draft to, an assistant U.S. Attorney in San Diego claimed a high-level Customs Service official interfered with another Justice Department investigation involving the *contras*. In public the committees had no questions for Meese about that, either.

Abrams also sneaked past the committees. When he appeared, he was put through the wringer for having withheld from Congress information concerning the Administration's solicitation of \$10 million from the Sultan of Brunei.

But the committees failed to nail Abrams for knowing of North's *contra* supply efforts. Abrams testified under oath that he was utterly unaware of North's operation; North maintained he had fully briefed Abrams on his *contra*-aiding efforts. North recalled a meeting in the Pentagon, attended by Abrams, in which North "went down, item by item, the things that I was doing, and asked them point blank whether or not I had to continue to do them." North also mentioned that he thought he had given the committees contemporaneous notes of that meeting. (Texts of two N.S.C. electronic messages also suggest Abrams knew more than he claimed about North's activities.) If North's testimony is true, Abrams committed perjury. But when Abrams's boss, Secretary of State George Shultz, faced the committees maintaining that Abrams should be forgiven his error in not notifying Congress, not a single member inquired about the significance of North's testimony and the possibility that Abrams lied under oath.

But the ones who truly got off scot-free were the *contras*. The committees gave little notice to testimony and documents they received showing *contra* involvement in narcotics trafficking [see Jonathan Kwitny, front cover]. Allegations of *contra* corruption also breezed by at the hearings. At a post-hearing dinner for reporters who covered the

proceedings, a group of about a dozen journalists was asked if any could recall a negative comment made about the *contras* during the entire hearings. Heads were scratched; no one could recollect a discouraging word.

From the start, the Republican committee members, solidly for *contra* aid, tried to turn the hearings into a pro-rebel forum. The Democrats, split on the question, emphasized process; they seemed most upset by the way the White House bypassed Congress. Some Democratic members, with characteristic overcaution, adopted a strategy whereby they would not challenge *contra* aid directly, convinced that the proceedings would reveal the rebels' ugliness and do in the program.

The debate wasn't whether to conduct a black war in Central America, but how to go about it. The committees' majority did not want a bare-all examination of North's ventures—or an unveiling of the C.I.A.'s hidden role. Consider the committees' decision not to ask Robert Gates, deputy director of the C.I.A., to take the stand, for fear, as Inouye admitted, that his testimony would embarrass the agency. The Democrats, concerned that they look "responsible," held back. This also caused them to agree to wrap up the hearings by an arbitrary deadline, leading to an even more restrained probe of the Iran/*contra* episode.

All of the subjects ignored by the committees during the hearings can still be included in their final report. Representative Lee Hamilton, chair of the House panel, says that staff investigators are still on the job. But even if the report covers what the hearings missed, cold print cannot counter the impact of the televised hearings, which millions of Americans watched. How many will read the thick document the committees produce? The ball has been dropped. As Representative Peter Rodino said of Meese's inquiry, "Key questions weren't asked. You have to wonder why." □