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Who Got the Iran-Contra Money?

At his news conference last week, President Reagan didn't answer the biggest question remaining in the Iran-contra arms scandal: Who got the money? The president said he hadn't even known that there was a multimillion-dollar "profit" from the arms sales to Iran, so he still needs to find out what happened to it.

We can give him an advance tip on what congressional investigators and the special counsel will report: Some of the missing money was paid in kickbacks to cronies of Iranian parliamentary speaker Hashemi Rafsanjani. And a big bundle went for commissions to the arms entrepreneurs who cooked up the scam in the first place.

But there's another beneficiary that a timorous Congress may be reluctant to identify: Israel. During the protracted secret negotiations, the Americans understood that some of the profits would go to the Mossad, Israel's secret service, which is always in need of cash to pay informants and run its highly regarded intelligence network.

This may prove to be politically sticky for Congress, although actually the Mossad payoff is one of the more defensible features of the arms deal. Over the years, Mossad officials have given the CIA intelligence of incalculable value.

Turkish Reaganism: The "Reagan Revolution" may be in trouble here, but basic Reagan policies are thriving in a faraway land: Turkey. By coincidence, this bastion of Reaganism is next-door to Iran, which has been the root of the evils that have befallen the president's agenda.

It's no accident that Turkish-American relations

have flourished in the concurrent administrations of President Reagan and Turkish Prime Minister Turgut Ozal. In a recent interview in the capital city of Ankara, Ozal made it clear that he is an enthusiastic advocate of Reagan's two unshakable articles of faith: private enterprise and anticommunism. He also favors such old-fashioned American virtues as self-reliance.

Ozal wants more U.S. military and economic aid now because his country needs it badly. But for the long run, he wants Turkey to take care of itself. "The most important thing is the determination of a country to solve its own problems," he told our associate Dale Van Atta. And, in his book, a free and unfettered capitalist economy is the best road to take.

"I will give you an example," he said. "Here in this country, at the end of the 1970s, we still had subsidies on petroleum. It was unbelievable. Many other things were subsidized. We have removed those subsidies completely."

Surprisingly, the Turkish people seem to have accepted this, at a time when other governments in the region avoid similar economic reforms for fear of inciting riots or worse. How did Ozal do it?

"We have explained to our people that we have to remove these subsidies because they are being paid for by the people," he said. "The government doesn't have a different purse. It's the same purse: the nation's purse."

It takes a gutsy politician to impose free-market policies on a depressed economy. But, except for a production subsidy on agriculture, Ozal has persevered on his capitalist course.