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Threats abetted contras

Imperiling talks was one U.S. tactic

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WASHINGTON — The Reagan administration in 1985 and 1986 conducted a secret campaign of threats and intimidation in Latin America in an effort to scuttle Central American peace talks and win support for the contras, according to classified documents and interviews with U.S. and foreign officials.

President Reagan's role in the campaign is unclear, but documents and interviews indicate that he may have personally approved at least one of its initiatives and possibly was involved in discussions of two others.

U.S. officials said the Reagan administration sought to disrupt the efforts of the Contadora group of nations to negotiate an end to conflict in Central America because the peace talks complicated efforts to persuade Congress to approve contra aid.

According to knowledgeable officials, the campaign included:

- An effort to force from office the head of the Panamanian defense forces, Gen. Manuel Noriega. When Noriega did not respond to a direct request from then-national security adviser John M. Poindexter that he resign, the United States cut off aid to Panama, then leaked damaging classified documents about Noriega to the New York Times and NBC News.

- A proposal that would have had the United States drop its support for the government of Mexican President Miguel de la Madrid Hurtado, which supported the peace talks, in favor of a conservative opposition party. The proposal, conveyed to representatives of the opposition National Action Party by convicted contra supporter Carl "Spitz" Channell, came to nothing when the representatives failed to give money to the contras.

- Secret talks with the Honduran military about ways of dealing with then-President Roberto Suazo, who blocked contra-aid shipments in late 1985. The approach to the military to pressure Suazo to lift the blockade came after the United States had failed to sway him with aid suspensions and the leaking of embarrassing information to the Miami Herald.

The administration campaign also included secret support for a conservative presidential candidate in Costa Rica who U.S. officials hoped would support the contras, and intense diplomatic efforts aimed at persuading Argentine officials to change their pro-peace-talks position, administration and foreign officials said.

Some of the actions may have been illegal.

Congressional aides familiar with contra affairs said a provision in the 1985-86 foreign-aid law specifically prohibited linking U.S. aid to support for the contras.

According to officials both inside the United States and abroad, Poindexter, former National Security Council aide Lt. Col. Oliver L. North and Assistant Secretary of State Elliott Abrams — all prominent figures in the Iran-contra affair — collaborated on the campaign. Former CIA Director William J. Casey and his Central America deputy, Alan Fiers, also cooperated, officials said.

Reagan reportedly was informed about some of the actions:

- According to a senior Panamanian official present at the meeting between Poindexter and Noriega, Poindexter prefaced his request for Noriega's resignation by saying he was speaking for Reagan.

- Documents obtained by the Miami Herald from an employee of Channell, who pleaded guilty April 29 to a federal criminal charge related to his contra fund-raising, indicate that Channell met with Reagan 48 hours before telling representatives of the National Action Party (PAN) that the President would throw his support to them if they would agree to support the contras.

- Reagan met with Vice President Bush, Abrams and North on March 23, 1986, the day before Abrams and North began a campaign to persuade Honduran President Jose Azcona, Suazo's successor, to request emergency U.S. military aid after Nicaraguan army troops crossed into Honduras in pursuit of contra forces, according to White House records and administration officials.

Abrams later told Congress that Azcona had requested the aid voluntarily, but that version of events has been contradicted by U.S. diplomat

John Ferch, who was ambassador to Honduras at the time. Ferch, who was removed from his post by Abrams, told General Accounting Office investigators earlier this year that Azcona signed a letter requesting the aid only after intense pressure from Washington.

The White House and CIA declined to comment. The State Department denied that Abrams participated in a conspiracy to pressure countries in the region to support the contras.

The campaign was particularly harsh on Mexico and Panama, the two most active members of the Contadora group of nations, which also includes Venezuela and Colombia. The group, founded in 1983 on the Panamanian island of Contadora, seeks to end the conflict in Nicaragua through a negotiated solution.

Argentina was targeted because it was a member of a so-called Contadora support group, which also includes Brazil, Uruguay and Peru.

Mexico. On May 13, 1986, Abrams and other U.S. officials appeared before the Senate Western Hemisphere affairs subcommittee to denounce the Mexican government for corruption, drug trafficking and economic mismanagement.

But the most remarkable U.S. tactic against Mexico involved threats to undermine the ruling Institutional Revolutionary Party (PRI) by throwing U.S. support to PAN before July 1986 state elections in northern Mexico.

In February 1986, U.S. officials warned their Mexican counterparts that if they lobbied Congress on behalf of Contadora, the administration would lobby in Mexico for PAN.

In August, Channell, the convicted fund-raiser, took that a step further: He told PAN followers that Reagan would help them if PAN helped the contras, according to notes written by Jane McLaughlin, an employee of Channell.

Notes from McLaughlin, who attended Channell's meeting at Washington's Hay-Adams Hotel on Aug. 14, 1986, indicated that Channell asked the Mexicans for \$210,000 to finance an expensive contra-aid campaign of television commercials on which he was collaborating with North.

McLaughlin's notes also suggest that the PAN meeting came two days after Channell said he had conferred with Reagan on Mexico.

"Spitz [Channell] met with President Reagan last Tuesday to discuss Nicaragua and during the course of their discussion, Spitz brought up the issue of Mexico," the notes say.

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"The President stated that he is very upset and disappointed that de la Madrid has not taken a stronger position in supporting democracy in Nicaragua."

Two days later, according to McLaughlin's notes, Channell told the PAN supporters:

"If the President were to know that you and your people were actively supporting his policies in Nicaragua, there is no doubt that he and the White House would be far more attentive to your plight in Mexico and far more inclined to acknowledge your fight for democracy."

Channell then asked the PAN supporters to contribute the \$210,000.

PAN official Ricardo Villa Escalera, who Channell associates said attended the meeting with Channell, said PAN did not contribute any money. He also said he did not recall meeting Channell.

But two other people who attended the meeting said Villa Escalera was there.

Panama. U.S. efforts to force Noriega from power failed, but the pressures generated the worst tensions between the United States and Panama since Panama's fight for new Panama Canal treaties in the 1970s. They also provoked deep divisions within the administration.

The CIA, the National Security Agency and the Pentagon opposed Poindexter's efforts on the grounds that Noriega was a valuable intelligence asset and that his country, where 10,000 U.S. soldiers are based, was a critical platform for monitoring events in Central America.

A senior Panamanian official said Poindexter personally asked Noriega for greater cooperation on contra aid during a secret meeting between the two in Panama on Dec. 12, 1985.

The meeting was held at the VIP lounge of Panama City's Omar Torrijos International Airport, and the official said Poindexter opened the session without preamble or small, polite talk and went directly to the point.

"His attitude was arrogant, conceited and threatening," the official said. "Toward the end of the conversation, Poindexter's attitude softened, but he did remain cold throughout the session."

Poindexter complained that the United States did not appreciate Panama's role in Contadora because it affected U.S. strategies for the region, the official said. Later, the official said, Poindexter raised the issue of American anger at Noriega's role in the September 1985 ouster of U.S.-backed Panamanian President Nicolas Ardito-Barletta.

The official said Poindexter and other U.S. officials at the meeting suggested that Noriega restore Ardito-Barletta to the presidency and then step down himself.

"Ardito-Barletta did not believe in Contadora," the Panamanian official said.

Within days of Poindexter's return from Panama, the National Security Council chief told subordinates that "an alternative" to Noriega needed to be found, officials said.

Poindexter's first anti-Noriega action was approval in January 1986 of an NSC proposal to transfer to Guatemala most of \$40 million in economic assistance that had been promised to Panama. At the time the decision was disclosed, U.S. officials attributed the move to budgetary problems.

Poindexter also authorized a campaign to discredit Noriega. Part of that campaign, administration officials said, was an April appearance before Congress by Abrams, who denounced Panama for money-laundering, drug trafficking, differences over Nicaragua, relations with Cuba and lack of democracy.

Poindexter's aides, including North and then-NSC Latin American affairs director Constantine Menges, also personally briefed several American journalists with information aimed at embarrassing Noriega, the U.S. officials said.

The leaked data, including copies of secret reports by the Defense Intelligence Agency, led to June stories in the New York Times and on NBC noting Noriega's alleged involvement in drug trafficking and money-laundering. The stories also suggested that he had had a role in the death and beheading of a prominent opposition Panamanian politician. The news stories coincided with a visit to the United States by Noriega.

North and Poindexter could not be reached for comment, but Menges denied leaking any information.

Costa Rica. The effort on behalf of conservative Costa Rican presidential candidate Rafael Angel Calderon underscored a far wider campaign of pressure aimed primarily at persuading Costa Rican officials to allow the ostensibly neutral country to be used as a base for contra operations, administration and contra sources said.

The efforts failed. Calderon lost to a decidedly anti-contra opponent, Oscar Arias, and the Costa Rica-based contras have yet to succeed in creating a major army in southern Nicaragua.

Calderon spokesman Victor Vargas acknowledged that Calderon met with several U.S. officials in Wash-

ington when he was a presidential candidate to discuss Nicaragua and the contras. Calderon told U.S. officials that if he was elected president, Costa Rica would support U.S. policy in the region.

A U.S. intelligence source, an administration official who deals with contra affairs and a well-informed contra officer said that after Calderon's visit to Washington, U.S. officials spread the word that they looked favorably on his candidacy. They said Calderon obtained funds from conservative U.S.-based organizations after that visit.

Honduras. Perhaps the most ironic conflict between the United States and its Latin American neighbors was with Honduras, Washington's closest Central American ally and chief regional contra base.

Problems with Honduras began in October 1985 when President Suazo blocked contra aid after an American supply aircraft landed in Honduras with an NBC television crew aboard.

Honduran officials said the crew's arrival angered Suazo because its presence compromised what then was the official Honduran policy of denying that the contras operated from Honduran soil.

But U.S. officials said Suazo used the incident as a ploy to pressure the United States into backing a secret plan to call off presidential elections and allow him to stay in power two more years.

Ferch and North rejected Suazo's proposal, and the NSC and the State Department decided to punish the Honduran for holding up contra aid by blocking payment of a \$67.5 million economic assistance package. Suazo was not moved.

Two weeks before the Nov. 24, 1985, vote, Suazo showed up at a U.S.-funded military base, borrowed a U.S. Army helicopter with an American pilot and used it to drop political leaflets over a town.

After the U.S. pilot reported the incident to superiors, U.S. Embassy officials, embarrassed by such use of U.S. military equipment, cabled Washington with the news and hoped the affair would not worsen relations with Honduras.

But an official in Washington who had access to embassy cable traffic used the incident to chastise Suazo. He leaked the story to the Miami Herald.

Asked recently why he leaked the story, the official said it was part of a U.S. effort to retaliate against Suazo for blocking contra aid.