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DATELINE WASHINGTON: GIPPERDÄMMERUNG

by Doyle McManus

In spring 1984, as Congress was cutting off CIA support for the rebels fighting to overthrow Nicaragua's leftist regime, two U.S. officials journeyed to the guerrillas' camps in southern Honduras. Their mission was to persuade the dispirited rebels, known as *contras*, to keep fighting. "We'll find a way to keep you alive," *contra* officials recall that one of the two men, CIA Director of Operations in Latin America Duane Clarridge, promised. A then unknown member of the National Security Council (NSC) staff, more junior in rank, named Lieutenant Colonel Oliver North seconded his message: "I've got a commitment to those guys," he told colleagues in Washington after returning from the camps. "I told them I'd come through for them."

North's commitment was no mere personal crusade. Despite Congress's ban on U.S. military aid to the Nicaraguan rebels from mid-1984 until October 18, 1986, the Reagan administration's reliance on the *contra* insurgency as the core of its policy toward Nicaragua did not diminish during that period; on the contrary, it increased. At the beginning of the period, in mid-1984, Secretary of State George Shultz was still willing to enter into direct talks with the Sandinista leaders in Managua (if only as a tactical move for that year's presidential election campaign, as some in the State Department confessed after the talks collapsed). But by early 1985, President Ronald Reagan publicly proclaimed the *contras*' jungle war to be the most important front in a global struggle "to repeal . . . the infamous Brezhnev doctrine, which contends that once a country has fallen into communist darkness, it can never be allowed to see the light of freedom." And by the end of 1986, once Congress finally renewed the administration's mandate to supply the *contras* with arms and airplanes, Reagan and Shultz flatly ruled out negotiations between Managua and Washington. The focus of U.S. policy, Shultz said, was to enable the rebels to "create new facts on the ground."

How did the administration keep the *contras*, whose CIA-built army exceeded 11,000 men, in the field and fighting—or at least alive and available—for those 2 years during which U.S. military aid was illegal? The answer was a stratagem that may be unique in American foreign-policy history—a program that the president desperately wanted—but that Congress had explicitly rejected—was kept alive through a combination of covert aid solicited from other countries and fund raising from private citizens.

During the critical period from 1984 to 1986, North and other aides helped organize and sustain a network of private fund raisers who claimed to raise more than $10 million for the rebels. More important, according to both U.S. officials and *contra* figures who were involved, the administration impressed upon U.S. allies that Reagan felt more strongly about Nicaragua than almost any other foreign-policy issue, and several countries responded. Israel sold weapons to the *contras*, and Israeli officials helped set up the secret U.S. arms sales to Iran. Members of Saudi Arabia's ruling elite, ostensibly acting as private citizens, pumped millions of dollars into a system that bought and shipped weapons to the *contras*. The armies of Guatemala, El Salvador, and Honduras, the last two almost wholly dependent on U.S. aid, donated small arms, ammunition, and facilities. *Contra* officials say that they also received direct contributions from South Korea and Taiwan. At one point, Shultz and Assistant Secretary of State for Inter-American Affairs Elliott Abrams solicited a $10 million donation from the sultan of Brunei—paid into a private bank account in Geneva at the direction of North but mysteriously lost before it could reach its destination.

In public, the administration repeatedly denied that it had "solicited" contributions from private donors or foreign governments. But several officials acknowledge that after the CIA program was ended, the NSC was given an apparently unprecedented mandate to encourage private aid to the *contras* energetically—if not to solicit individual donations specifically. "We operated carefully within the law to encourage

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private and third country assistance to the contras," said an NSC official who was directly involved. "They were perfectly legal actions. We didn't talk about them in public, but there were good reasons for that: either the donors wanted it handled quietly or for the security of the contras' operations."

The secret foreign aid operation eventually caused great embarrassment to Reagan and his staff, first when one of its air cargo planes was shot down over Nicaragua with three Americans aboard, and later when Justice Department investigators discovered that North had diverted profits from the secret sale of arms to Iran into his Nicaraguan accounts. It put the *contras* under unwanted scrutiny and linked their effort to the debacle of the administration's secret arms sales to Iran. But on balance, the administration considered its excursion into private foreign aid a success because the *contra* army survived. "What's kept the resistance alive has been private help," Abrams said in October 1986. "Some very, very brave people have been willing to actually bring this material into Nicaragua . . . God bless them, because they were fighting for freedom in Central America and keeping the option alive while Congress made up its mind."

In Congress, both Republicans and Democrats said they were unhappy that the administration had resorted to "a wink and a nod," as Senator Patrick Leahy (D.-Vermont) put it, "as a way of getting around our foreign policy or the law." "A wink and a nod, hell," Abrams replied. "We think it's been fine."

Seeking Outside Help

At the root of the administration's 1984 decision to seek outside funding for the *contras* lay two contradictory events. The first was the CIA's relative success from 1982 until 1984 in building a Nicaraguan rebel army that showed promise—at least to officials in Washington—of gradually becoming an effective guerrilla force. The second was Congress's 1984 decision to block any further aid to the guerrillas after the CIA had already spent some $80 million on their behalf.

Reagan entered the White House in 1981 determined to reverse the spread of leftist revolution in Central America. The Sandinistas, with help from Cuba, several Latin American countries, including democratic Costa Rica, and a broad swath of Nicaragua's middle class, had already toppled the corrupt regime of Anastasio Somoza Debayle; now the new Managua regime was sending arms and supplies to Marxist guerrillas in El Salvador fighting to unseat another U.S.-backed government. Then Secretary of State Alexander Haig, Jr., called for quick action to prevent "a well-orchestrated international communist campaign" from taking over all of Central America and Mexico.

Haig proposed a naval blockade of both Cuba and Nicaragua to stop their support for the Salvadoran guerrillas, but neither the Joint Chiefs of Staff nor anyone else in the new Reagan cabinet embraced the idea. Still there was little enthusiasm for negotiations with the Sandinistas either. In August 1981, the administration sent then Assistant Secretary of State for Inter-American Affairs Thomas Enders to Managua to offer the Nicaraguan regime a deal, but Enders's diplomatic opening began with a demand that the Sandinistas end their support for the Salvadoran guerrillas "as the sine qua non for any dialogue." The Sandinistas viewed that as an unreasonable precondition, and neither side pursued the stillborn dialogue much further.

The remaining option was covert support for the rebels. At the time, scattered remnants of Somoza's defeated National Guard were harassing the Sandinistas, but their pursuits were closer to banditry than insurgency. In molding them into a military force, the administration's formal objective was to pressure the Sandinistas into halting their aid to the Salvadoran guerrillas, but many officials wanted to see whether the *contras* could grow into a force large enough to turn the tables on Cuba and the Soviet Union—to repeal the Brezhnev Doctrine, as Reagan would put it later. The initial program, launched with a presidential directive on November 23, 1981, was small: just under $20 million to fund a training and supply project administered by the military intelligence services of Argentina's military junta. But under the direction of then CIA Director William Casey and Clarridge, both the rebel army and its mission grew rapidly.

By 1983 the *contras*' ranks had swelled to more than 5,000 men, and their best units were roaming freely across Nicaragua's northern and southern borders. The administration thus

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reached another turning point: It could attempt to negotiate with the Sandinistas, using the rebels' modest success as a bargaining chip, or it could escalate the war effort with increased paramilitary action by the CIA. Enders proposed a "two-track" strategy of negotiating while maintaining pressure through the *contras*, but others—chiefly Casey and then U.S. permanent representative to the United Nations Jeane Kirkpatrick—believed paramilitary action could lead to the Sandinistas' collapse. Enders resigned in May; soon after, the CIA launched a major escalation of the war, including speedboat-borne sabotage raids, a combined sea and air attack on the port of Corinto, and the mining of three harbors. Most of the operations were beyond the *contras*' ability and were run directly by U.S. personnel, including the mining of the harbors and two air-support missions in which American helicopter pilots exchanged fire with Sandinista ground forces. "There were some operations that we didn't even know about until afterwards," said Edgar Chamorro, a member of the *contra* leadership who later turned against the war.

Congress often did not know either, and Casey's sketchy style of describing his operations to the House and Senate intelligence committees became the CIA's downfall. In April 1983, the leaders of the Senate Select Committee on Intelligence discovered that Americans had been directly involved in the mining of the harbors and other hair-raising operations against Nicaragua, and concluded that they had been deliberately deceived. A bipartisan majority concluded that the program was out of control and cut off the funding. The last of the CIA's $80 million ran out by June 1984.

But, if anything, Reagan's commitment to the *contras* had grown. "We have a moral responsibility to support anyone who aspires to live in a true democracy," he said in July. By early 1985, he would describe the *contras* in heroic terms: "The freedom fighters of Nicaragua . . . are the moral equal of our founding fathers and the brave men and women of the French resistance. We cannot turn away from them, for the struggle here is not right versus left; it is right versus wrong."

His aides' answer to the conflict with congressional views was to seek a reversal of Congress's decision while exploring alternative means of keeping the *contras* alive. Even before the CIA's funding was finally cut off, officials say, then national security adviser Robert McFarlane ordered a study of the available options. Congress had barred any "agency or entity involved in intelligence activities" from spending money "which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua." However, the law did not explicitly prohibit soliciting aid for the *contras* from other countries; nor did it make clear whether the NSC staff was an "intelligence entity" included under the ban on aid. Some policy papers, reportedly including a memorandum from North, suggested taking full advantage of those loopholes.

A program that the president desperately wanted—but that Congress had explicitly rejected—was kept alive through a combination of covert aid solicited from other countries and fund raising from private citizens.

McFarlane and Shultz, mindful of the need to regain the confidence of Congress, elected to be more careful. They agreed that the administration could encourage foreign countries and private donors to help the *contras*, but decided that it should not solicit specific donations. "Provided U.S. funds are not used, we do not discourage other countries from providing support; nor have we discouraged legal private U.S. contributions," then State Department spokesman R. John Hughes explained later that year. "Obviously, there was consideration of options or alternatives in the government, but the decision was taken not to play an active role in soliciting either private funding or third country support, and the fact is the U.S. government has not done that."

But others were not as cautious. The man put in charge of the private aid program was North, who had impressed superiors with his zeal on behalf of the *contras*. Not only was the NSC staff under no obligation to report its activities to Congress (unlike the CIA), officials said North and his colleagues reported their operations only

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to the national security adviser, who frequently elected not to inform others. Testimony before congressional committees investigating the Iran arms sales revealed, for example, that Shultz had been unaware of several of the solicitations, including the aid given by Saudi Arabia. Casey and the CIA, on the other hand, not only were aware of the operation, but also provided important logistic support in delivering the aid. And once the 1984 election campaign was over, Reagan himself joined the fund-raising effort, publicly addressing several groups of conservative donors and all but asking for donations. "The contras need to know that the United States supports them with more than just pretty words and good wishes," he told one group. "We need your help on this, and I mean each of you —involved, active, strong and vocal. And we need more."

At another point, after two Americans had died in the crash of a *contra* helicopter inside Nicaragua, Reagan praised Americans who volunteered to fight for the rebels as heirs to "a well established tradition" that he traced to the Abraham Lincoln Battalion of the Spanish civil war and the early volunteers of World War II.

The details of the private aid effort are still obscure, but its basic outlines have become clear. Using North's office in the NSC staff as a clearing-house, the *contras*' civilian leadership, aided by several retired U.S. military officers, sought money, supplies, and weapons from both private donors and foreign governments. Officially, neither North nor anyone else in the administration could "solicit" aid. But the definition of acceptable activity allowed North to speak on the *contras*' behalf before private fund-raising events, officials involved in organizing the events later said. And more important, North helped recruit the *contras*' two most important fund raisers, John Singlaub, a retired army major general, and Richard Secord, a retired air force major general. Singlaub, a colorful and plain-spoken veteran of special operations in Asia, took charge of fund raising among U.S. conservatives and anticommunists abroad. To the discomfort of the White House, Singlaub freely described to reporters his contacts with North. "I made a point of getting word to the White House and to the agency," he said in one television interview. "They saw what we were doing, and from time to time, I would get a 'Good job, Jack, appreciate what you're doing.' " Secord, who had managed the administration's sale of airborne warning and control system (AWACS) aircraft to Saudi Arabia in 1981, was more discreet. According to rebel officials, he approached both Saudi and Israeli officials on the *contras*' behalf and eventually became a more important source of help than even North. (Later, in 1986, Secord also would turn up in the center of the administration's attempts to secure the release of American hostages in Lebanon through the secret sale of weapons to Iran. That second unorthodox initiative, though it developed independently of the *contra* project, quickly became entwined with it. The same people were running both operations, using—if only for convenience' sake—the same Swiss bank accounts and some of the same cargo airplanes.)

Within the United States, the rebels tapped conservative donors, who responded to Reagan's call. Former Treasury Secretary William Simon organized one effort, which raised an estimated $300,000. Singlaub, president of an organization called the U.S. Council for World Freedom, organized another. His supporters included the Texas oil heir Nelson Bunker Hunt and the Colorado beer magnate Joseph Coors, although both men denied giving any money directly to the rebels. Cuban-American groups in Miami held fund-raising events of their own. And the leader of the largest rebel group, Adolfo Calero, launched frequent campaigns among well-heeled donors, including a visit to the 1984 Republican National Convention in Dallas, Texas. At one point, Calero even offered backers the purchase of "Nicaraguan Liberty Bonds" at $50,000 apiece—to be redeemed, he said, only half-puckishly, when the *contras* reached Managua.

It is impossible to estimate with any accuracy how much money the *contras* raised in the United States. Substantial sums of money, much in cash, were moving through North's small office in the Old Executive Office Building next to the White House. At one point in late 1984 or early 1985, the flamboyant North threw open his office safe to show colleagues a sum of cash that he told them was $1 million for the *contras*. "My impression was that it was private donors who gave

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him the money," said one of the NSC officials who was there. Singlaub and others have offered estimates of a total ranging from $10 million to $25 million, but have offered no evidence to support their claims.

The Money Vanishes

Raising money in the United States had a legal defect. The State Department warned the U.S. fund raisers that it probably was illegal to buy weapons for the rebels in the United States. As a result, the *contras*' most important fund-raising effort went on overseas.

Singlaub provided one set of contacts as chairman of the World Anti-Communist League (WACL), a little-known organization originally developed under the sponsorship of South Korea and Taiwan to organize worldwide opposition to the communist government of the People's Republic of China. WACL's members included prominent rightists from South America and Western Europe as well as Asia. Through WACL, Singlaub boasted, he could tap into sources of funds in two dozen countries. *Contra* officials have said they were told that Singlaub obtained military aid for them in both Seoul and Taipei, although no details have surfaced. The retired general also helped the rebels obtain SA-7 antiaircraft missiles and, when the missiles proved balky in tropical humidity, arranged to hire a Portuguese trainer to instruct the guerrillas on the importance of keeping their launchers clean.

In Latin America, Calero and other *contra* leaders already knew officials in some countries. Conservative political parties in Venezuela and other countries raised some money, Calero told associates. But more important on the ground—especially in the first few months after Congress cut off CIA funds—was material aid from several armed forces, including the armies of El Salvador, Guatemala, and Honduras. "The important help is coming from the military there," a senior *contra* official said in an interview in late 1984. "They tell us that the civilian leadership of their countries doesn't know we are getting it." On the other hand, *contra* officials frequently complained in private that officers in Honduras and El Salvador seemed as intent on profiting from their presence—through preferential supply contracts and simple bribery—as in helping their insurgency succeed.

Contra leaders report that Israeli arms dealers supplied them with weapons, including arms captured from the Palestine Liberation Organization in Lebanon and presumably held in government stocks. The *contras* refuse to say whether they have received outright official aid from Jerusalem, but the Senate Select Committee on Intelligence heard evidence that Israel did contribute some weapons in response to a U.S. request. The *contras*' most important aid relationship, however, has been with Saudi Arabia. Beginning in 1985, U.S. and *contra* officials say, Saudi money helped Secord buy arms and build a private air force to drop missiles to guerrilla units deep inside Nicaragua. An initial estimate by the staff of the Senate intelligence committee put the Saudi aid at $30 million or more.

The Saudi government has denied strenuously any official role in the *contra* supply system. Instead, as in the case of Israel, the aid has come from private citizens whose relationship with their own government, if any, is unclear. Much of the money appears to have been funneled into Swiss bank accounts over which both North and Secord had signatory power. Another account, now under investigation as a possible conduit for aid to the *contras*, reportedly was controlled by the business manager of Prince Mohammed bin Fahd, a son of King Fahd.

Saudi Arabia has little interest in Central America. But the Saudis were taken aback by the difficulty they encountered in winning congressional approval for the AWACS, which were intended to defend the kingdom against Iran. They appear to have felt some pressure to demonstrate that there were some issues outside the Middle East where Saudi actions could serve U.S. interests and perhaps thought that Nicaragua, a cause dear to Reagan, was ideal. And the Sandinistas' warmth toward Iran and Libya, the two countries most troublesome to the Saudi monarchy, did little to endear them to Riyadh.

Despite all these efforts, *contra* funds and supplies began to run out by the middle of 1986. Paradoxically, according to both Calero and Abrams, part of the problem was the manner in which Congress decided to renew CIA funding for the rebels. The House and the Senate approved a new, $100 million aid fund in April but did not make the money available until October.

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In the intervening 6 months, to the *contras*' distress, other donors concluded that help was no longer needed.

The solution was to solicit new funds from an unlikely source: Brunei. The sultan receives no U.S. aid, enjoys a substantial private fortune, and has freely expressed a desire for a closer relationship with the United States. "The discussions with the government of Brunei were conducted by Assistant Secretary Abrams, but with my authority explicitly," Shultz said. "There's nothing illegal about it. There's nothing improper about it. Quite the contrary: it was the policy of the United States . . . to provide humanitarian assistance and to permit the Department of State to solicit funds." In late summer 1986, the sultan transferred some $10 million to one of the Swiss accounts under North's control. According to Abrams and other officials, however, the money never reached the *contras*, and red-faced State Department officials cannot trace it.

According to Attorney General Edwin Meese III, North oversaw the diversion of money from the administration's secret sale of weapons to Iran: "In the course of the arms transfer . . . certain monies which were received in the transaction between representatives of Israel and representatives of Iran were taken and made available to the forces in Central America who are opposing the Sandinista government there." Meese initially estimated the diverted money at between $10 million and $30 million, but other officials and congressional investigators later concluded that the *contras* benefited from perhaps $8.5 million of that.

An accurate estimate of the sum collected through these various schemes is probably impossible to produce. But Abrams, in an interview, estimated that the *contras* needed roughly $25 million per year merely to stay alive, before spending any money on guns or ammunition. In 1986 the United States provided that support, but in 1985 that level of aid had to come from outside. As for weaponry, administration officials said that U.S. intelligence estimates of the equipment that arrived in the *contras*' camps started with a minimum of $10 million in each of the 2 years 1985 and 1986. (Those figures do not include the $10 million donated by the sultan of Brunei or the estimated $8.5 million from the Iran arms deal, most of which apparently went astray.) The result is an imprecise but conservative estimate of at least $45 million in private or covert aid.

In addition, during fiscal year 1986 the *contras* received $27 million from the State Department to pay for nonlethal supplies—dubbed "humanitarian aid" by the administration, but which included such military materiel as trucks and uniforms. The rebels also received at least $16 million from the CIA in little-noticed forms of secret aid that Congress quietly permitted: $10 million in broadly defined intelligence assistance, $3 million in communication equipment and training, and at least $3 million for political activities.

The total resources available to the *contras* thus came to at least $88 million over 2 years—more than the CIA has acknowledged spending on the rebels during the more than 2 years of its initial covert paramilitary program from 1981 until 1984. In short, the secret aid effort produced a significant amount of support—enough to maintain the *contras* as a potential threat to the Sandinistas, but clearly not enough to enable them to overthrow the regime.

On the battlefield, the *contras* succeeded in launching several relatively limited guerrilla campaigns during 1985, including one that nearly cut Nicaragua's main east-west highway from Managua to the river port of Rama. During 1986, the rebel effort largely sputtered, but several *contra* units continued to roam throughout the country's central mountains. The Sandinista government said that the *contras* killed 1,019 government soldiers in 1986, although it also claimed that the rebels' losses were far higher. As for troop strength, the *contras* claimed almost 20,000 men at the end of 1986, but the Sandinistas charged that their ranks had dwindled to 6,000. In sum, the *contras* not only survived the 2-year ban on U.S. military aid, but also maintained organizational cohesion and some ability, albeit limited, to strike at military and economic targets.

Bending the Law

From that standpoint, the administration's experiment in stimulating outside aid for a program Congress cut off must be counted a success. But did the administration violate the law or the con-

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fidence of Congress on the way? From 1984 through 1986, the administration regularly issued apparently categorical statements denying direct involvement in fund-raising efforts. "We did not solicit funds or other support for military or paramilitary activities either from Americans or third parties," McFarlane assured the House Permanent Select Committee on Intelligence in a letter dated September 5, 1985.

But Abrams and other officials later acknowledged that the administration had actively encouraged private aid. "We gave public approval," Abrams told reporters accompanying him on a trip to El Salvador. "We think it is right and proper that Americans should help the freedom fighters. I don't think it's a violation of the law to say that we think an activity is a fine activity."

And several officials who spoke on condition that they not be quoted by name acknowledged that the NSC had sought in an organized way to stimulate contributions from other countries. "Every meeting that was held on unofficial aid to the contras or every approach that was made to other governments is being played as if it was illegitimate," complained an NSC official who was involved. "It wasn't. Nobody has found a single violation of the law."

There is, in fact, no law expressly prohibiting the president from asking other governments or private citizens to donate money or guns to a favorite foreign project. Many members of Congress believed that such a ban was implicit in the laws they had passed. The administration disagreed, but kept its disagreement secret.

In 1985, when Congress authorized the State Department to give the *contras* $27 million in nonlethal "humanitarian aid," Representative Lee Hamilton (D.-Indiana), then chairman of the House Permanent Select Committee on Intelligence, formally assured the House that under the bill, "no other department or agency involved in intelligence activities with the limited exception of the State Department may engage in any type of solicitation for the contras." But this understanding was part of the conference committee report accompanying the bill, not the law itself. After the *contras*' secret funding was revealed, a senior NSC official dismissed the idea that the 1985 law prohibited soliciting military aid as "absurd." "Congress had the opportunity to pass a provision like that, and it didn't," he said. A State Department analysis of the law produced in December 1986 agreed that no clear prohibition existed, and it asserted that any attempt to enact one "would raise significant constitutional questions of intrusion into executive powers and functions." And other officials argued that, in any case, a ban on the activities of "intelligence agencies" did not apply to the NSC staff.

But those arguments were never raised during Congress's debates in 1984 and 1985. Instead, administration officials maneuvered quietly to maintain their legal freedom of movement. When Senator Claiborne Pell (D.-Rhode Island) attempted to ban solicitation of countries that receive U.S. aid or buy U.S. weapons, the White House worked successfully to dilute the provision to prohibit solicitations that made U.S. aid conditional on the third country's help for the *contras*. But even then, the administration made no public issue of the point, and some members of the conference committee that handled the bill were unaware of the implications of the change. Whether the administration violated the letter of the law by soliciting third countries for aid to the *contras*, it seems clear that it deliberately deceived Congress about its actions, and thereby evaded the intent of the law. "There is a question whether the administration violated the understanding which we believe existed on this matter," Hamilton said mildly.

Some White House officials are contemptuous of the complaint. "All this talk about the intent of Congress or violating the law is a bunch of nonsense," said one. "That is not the way the system works. . . . The fact that some aspects of it may have been mishandled shows that it's better to aid the contras officially."

They argued—with some justification—that Congress's intent was not clear on an issue that was debated six times in 5 years, with the result swinging first in favor of aid, then against, and finally back in favor. Congress actually sustained an absolute ban on aid to the rebels for only a single year; the 1985 decision to provide "humanitarian aid" to the rebel army was an act of indecision, not clear conviction.

Congress did ask questions about third-country solicitation, and, for that matter, the press and television attempted to investigate the

issue. But both hit a stone wall. With few exceptions, reporters were unable to penetrate the secrecy of other countries' covert operations, less transparent than our own. (Most of the leaks that did occur came from U.S. officials or the *contras* themselves.) And Congress's intelligence committees ran into the problem of executive privilege. When they attempted to question North about allegations surrounding his work in 1985, McFarlane refused to allow his aide to testify. McFarlane also told the *Washington Post* that North was "like a son of mine." "He's not a rogue elephant," McFarlane said. "He acts at someone else's direction." In September 1985, McFarlane told the committees that NSC staff members had given the *contras* political advice, but denied any solicitation of funds. "I can state with deep personal conviction that at no time did I or any member of the NSC staff violate the letter or spirit of the law," he wrote in a letter to Hamilton.

"I'm not sure what more we can do," Hamilton said later. "Reporters keep telling me that this is going on, but they won't tell me who the sources are." There was, he pointed out, no single clear act in violation of the law in the whole affair.

The contras' most important aid relationship has been with Saudi Arabia.

Only when the Sandinistas shot down one of Secord's cargo planes on October 5, 1986, did the secret supply system begin to unravel seriously. Three crew members died in the crash; a fourth, Eugene Hasenfus, parachuted to earth. Incredibly, the crew had carried a wealth of compromising documents on the flight, including papers that identified two of the crew as employees of Southern Air Transport, Inc., the Miami cargo firm that once belonged to the CIA; flight logs giving a record of operations of the *contras*' secret air wing; and lists of other people involved. Hasenfus told interviewers that the flights had been run from the Salvadoran air force base at Ilopango, under the scrutiny of both Salvadoran and American officers. The chief of the U.S. military advisory group in San Salvador, he said, had visited crew members at their "safe house" to complain that they were spending too much money—an odd concern if the cargo effort was wholly private. And the safe house yielded telephone records that led directly to the offices of both Secord and North.

At that point, the private aid pipeline began to dry up. The airplanes at Ilopango disappeared; the pilots came home to Miami and Houston. But in a stroke of luck for the *contras*, Hasenfus's plane went down only 8 days before the new, $100 million aid fund became available. "All these questions about private aid just aren't relevant any more," a State Department official argued hopefully. "Now it's the United States Congress which is funding the contras."

In Washington, the private aid project, although not necessarily illegal, raised new questions about the Reagan administration's compliance with Congress's attempts to regulate U.S. policy in Central America. The use of NSC staff members to carry out covert operations was a novel development. The task went well beyond the functions for which the NSC was originally designed and was, in the eyes of many, beyond the capabilities of the council's small staff. But the decision to assign the project to the NSC's North was clearly made to avoid congressional oversight. Unlike the CIA, the NSC is not required to notify Congress of all significant covert operations because no one ever thought that its personnel would attempt any.

That action raises significant legal and constitutional questions: Do the laws regulating "intelligence agencies" apply to the president's personal staff? Must a president report all covert foreign actions to Congress if they do not involve the expenditure of funds from the Treasury Department?

There is little apparent consensus on these basic issues, and little concerted debate. Arguments in Congress generally reflect the members' positions on aid to the *contras*, not constitutional principles. Those who do consider the question seriously come to little agreement. Former President Jimmy Carter's director of central intelligence, Stansfield Turner, condemned the Reagan administration's stratagem as "devious and disingenuous," but Carter's national security adviser, Zbigniew Brzezinski, demurred: "The NSC is an instrument for enforcing the president's will."

The strange 2-year episode of the private covert war may have uncovered a power of the presidency that has never before been fully illuminated: the power to persuade private citizens and friendly governments, each eager to cultivate Washington, to do what Congress will not. It is a blunt and unwieldy instrument, but it is not easily susceptible to legislative restriction—and that alone may recommend it to future presidents and open up a new field of conflict between the executive and legislative branches.