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THE CONTRA COMMITMENT

First of two articles

Rebel Fund Diversion Rooted in Early Policy

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The passionate commitment to Nicaragua's anticommunist rebels that led to the secret diversion of money to the contra cause had its roots in a decision early in the Reagan administration to resist any new Marxist foothold in the Western Hemisphere, according to current and former officials familiar with the policy.

That determination not to permit another Cuba eventually led the White House to embrace the contras as America's best hope for ousting the leftist Sandinistas in Nicaragua, the officials said.

Alliance with the contras, originally sold to Congress as part of a broader effort to contain rather than undo the Sandinista revolution, became such an article of faith that the White House never considered abandoning the rebels even after Congress barred further military aid.

The turbulent six-year relationship between the Reagan administration and the contras, or counterrevolutionaries, is

critical to understanding why members of the National Security Council staff would establish a secret conduit of funding that now threatens to tarnish the final years of Reagan's presidency with scandal.

Among the nearly three dozen officials and experts interviewed for this two-part series on the evolution of the U.S.-contra alliance, no one indicated a belief that the specific plan to help the contras by skimming money from clandestine arms sales to Iran was concocted before late 1985 or early 1986. The White House alleges that only Lt. Col. Oliver L. North of the NSC staff and his NSC superiors knew of the diversion.

But these officials collectively portray an administration increasingly committed to nurturing the contras as a firewall against communism, a general conviction articulated most earnestly by President Reagan and translated by his aides into the specific deeds that led to a clandestine resupply operation and the diversion of Iranian arms profits.

The events that led to this commitment—and indirectly to the current uproar—were marked by four turning points that shaped the administration approach to Nicaragua and Congress' eventual acquiescence last fall in again supporting the contras militarily:

- First, the idea of negotiating a peaceful settlement with Nicaragua was rejected in early 1983 after a fierce struggle within the administration. Any agreement that would leave the leftist Sandinistas in power has not been seriously considered since. Congressional action in 1982 that barred spending for the overthrow of the Nicaraguan government was ignored as "a technicality" full of easy loopholes, one intelligence analyst said.

- Second, Reagan's personal involvement as the contras' chief supporter beginning in 1983 has crucially affected the attitude of his aides and the conversion of Congress. After largely sitting out the public debate for nearly two years because of concern about the political climate, Reagan entered the fray with a vigor that gradually eliminated dissent on the issue within the administration and eroded congressional opposition.

- Third, the relatively attractive image of an energetic, idealistic Nicaraguan revolution in 1979 deteriorated over the years to that of a repressive, inept and totalitarian regime allied with the Soviet bloc.

An aggressive Reagan administration public relations effort gave maximum and sometimes exaggerated exposure to any repugnant Sandinista behavior, stressing the potential Soviet threat; many members of Congress who had been sympathetic to Nicaragua lapsed into silence and eventually moved into vocal opposition.

- Fourth, the image of the contras concomitantly improved from that of a ragtag bunch of brutal terrorists to a more disciplined fighting force that was much easier for Congress to support. Again, the administration's public relations effort was key in showcasing progress made by the "freedom fighters" and discrediting critics.

Administration officials, hoping that the dust of scandal will settle, argue that none of these factors has changed with the Iranian arms sale revelations. In an effort to forestall congressional attempts to rescind the \$100 million contra aid package voted last fall, officials also note that there is no firm evidence that the contras actually received any of the diverted money.

But administration and congressional sources concur that the uproar of the past two months may have put the rebel aid program in greater jeopardy than anything the program's critics could have done to undermine it.

Debate Begins Under Carter

Debate over what to do about Nicaragua began as soon as the Sandinistas, waving red flags and shouting Marxist slogans, ousted dictator Anastasio Somoza in July 1979. President Jimmy Carter, mindful of charges that U.S. hostility 20 years earlier had driven Cuba's Fidel Castro into communism, provided economic aid to the Sandinistas. Later, "absolutely conclusive evidence" that Managua was supplying arms to Salvadoran guerrillas led Carter to suspend that aid, said Robert Pastor, a member of Carter's National Security Council.

The new Reagan administration, officials said, never considered letting this communist presence in the hemisphere go unchallenged. But it divided sharply over what to do.

involved in the debate described the options as "long-term rollback, working within the Sandinista system, versus short-term military rollback" by the U.S. Marines.

The "long-term rollback" approach would involve negotiations, first "to get Cuba and the Soviet Union out of there," the official said, thus removing the immediate worry of possible Soviet bases, and then to guarantee that some domestic political opposition would continue within Nicaragua.

"We always figured they'd self-destruct over time if there was an opposition," the official said. At no time did the policymakers contemplate leaving Nicaragua alone, he added: "Even the softest-liners never said that."

Chiefs Oppose Military Role

The Joint Chiefs of Staff—military heads of the Army, Air Force, Navy and Marine Corps—were opposed then and remain opposed to the short-term military solution, several sources agreed.

"They had seen the JCS of 15 years before completely manipulated by [President Lyndon B.] Johnson over Vietnam, and they didn't want to get into that again," said retired colonel Lawrence L. Tracy, a Defense Department senior adviser on Central and Latin America at the time. Public opinion polls, then as now, overwhelmingly opposed U.S. combat troop involvement overseas, especially in the Third World.

In the policy planning councils, then-Assistant Secretary of State Thomas O. Enders was the leading proponent of "long-term rollback" negotiations, and the JCS backed him, according to those who took part. Leading the other side, arguing that Nicaragua would never observe any useful agreement, were Fred C. Ikle, who remains undersecretary of defense for policy, and Central Intelligence Agency Director William J. Casey.

Enders first brought up the possibility of forging a U.S. tool from the unimpressive bunch of disaffected Nicaraguans the Defense Intelligence Agency was calling "terrorists," mostly former Somoza National Guardsmen who were sniping at Sandinista border positions, the participants agreed.

Enders, almost larger than life at 6 feet 7 inches, was an elegant and aggressively intellectual career dip-

He argued in mid-1981 that with U.S. aid and training, the fragmentary "September 15" group and other resistance elements could become strong enough to put Nicaragua on the defensive, divert its resources from helping the Salvadoran guerrillas and become a bargaining chip the United States could use in winning Sandinista concessions.

But then-Secretary of State Alexander M. Haig Jr. was adamantly opposed to the idea. "He thought the contras were a sideshow that would detract attention from the main event, which was Cuba, and that they could never win," said one former official familiar with Enders' thinking. "We didn't think they could win either, but we thought they could be useful."

Haig wanted to "go to the source" of communist activity in Central America with a naval blockade of Cuba, a proposal that "never got much support beyond his office," the former official said. Haig kept pushing the idea into the spring of 1982, but several members of Congress said they never took it seriously.

Still, it was Haig who brought the entire debate into public view only weeks after Reagan took office. In February 1981, over Enders' objections, Haig publicly warned that the guerrilla rising in El Salvador was part of "a well-orchestrated international communist campaign" to take over the region from Panama to Mexico.

Looking for a way to combat that without sending U.S. troops, Haig, Ikle, Casey and the White House finally agreed with Enders that the contras could be a useful tool—to destabilize Nicaragua, if not to push it to negotiate.

"There was a unity of interest between those who wanted to develop a bargaining chip with the contras, and those who wanted them to do the [rollback] job," the current official said. "It was a total convergence."

Support for the contras was justified to the congressional intelligence committees in a secret March 1981 intelligence document, known as a "finding," which Reagan signed. The document said the contras would help cut off Nicaraguan aid to the Salvadoran guerrillas, at the time viewed as the most pressing regional problem. But in fact, the contras from the beginning were both a bargaining chip and a way around "the Vietnam problem"

of public reluctance to send in the Marines, according to officials involved in the decision-making.

Enders visited Nicaragua in August 1981 to warn the Sandinistas what was in store if they refused to negotiate. Rep. Michael D. Barnes (D-Md.), chairman of the House Foreign Affairs subcommittee on Western Hemisphere affairs and a leading critic of the program, said he discussed Enders' visit with the Sandinistas.

"They said this arrogant guy came down here, 11 feet tall, and said, 'You're going to do A, B and C or we're going to blow you off the face of the Earth,'" Barnes related.

The official familiar with Enders' thinking said he had thought the Sandinistas appeared to be responding favorably, but that impression evaporated in September. By November 1981 a secret National Security Decision Directive further ratified U.S. support for the contras in the context of new economic aid to the rest of the region, more economic sanctions against Cuba and CIA backing for "political and paramilitary operations" in Nicaragua.

The directive envisioned an ultimate contra force of about 500 men, plus 1,000 or so already receiving training from Argentina. At that point, the contras were so disreputable that U.S. Embassy personnel in Honduras were instructed "to stay away from them as unsavory characters," recalled a diplomat stationed there at the time.

The U.S. program gave Argentina an estimated \$50 million to provide training, and the Argentines crowded the Honduran capital to the point where U.S. VIPs could not get a room in Tegucigalpa's posh Maya Hotel, the diplomat recalled. The contras' first U.S.-backed action in Nicaragua occurred in March 1982.

At that point, several sources recounted, the "Vietnam syndrome" emerged, Latin-style. The White House feared that Congress, if not constantly accommodated and reassured that no overthrow of the Sandinistas was pending, would withhold its support for the contra program.

"It was hard to spell out what we wanted to Congress. They wouldn't have gone for it then," a former lobbyist said.

Sales Pitch 'Kept Changing'

A Senate committee official agreed. "As long as they sold it as an interdiction [of arms flow], people backed it. But the pitch kept changing," he said.

In every secret briefing, "the numbers went up, the arms increased, and nobody could say why that was happening or what they would do if the conflict widened," a House intelligence committee source recalled.

In July 1982, a State Department policy paper drafted under Enders' orders and later leaked to the press advocated a major expansion of the contra force on grounds that Nicaragua was receiving massive arms shipments from the Soviet Union. Approved by the CIA, NSC and Pentagon, and discussed with Congress, the paper called for new U.S. military aid to build up Honduras and Costa Rica.

"We responded positively [to the paper]. There was some exaggeration, but there was a real threat," Barnes said. "The Sandinistas said they were doing it because the United States wanted to overthrow them, and I told them, 'We aren't going to do that, you're just paranoid.'"

In the 1982 intelligence authorization act, a classified annex addressed congressional worries with language that limited CIA spending to interdiction efforts and prohibited efforts to oust the Sandinistas. When Sen. Tom Harkin (D-Iowa), proposed ending all contra aid during debate on fiscal 1983 defense funding, Rep. Edward P. Boland (D-Mass.), who at that point backed the interdiction effort, suggested that the secret language be made public as a compromise move that would save the program.

It worked. The "first Boland Amendment" of December 1982—an effort to keep the program alive, rather than to kill it—barred funding "for the purpose of overthrowing the government of Nicaragua or provoking a military exchange between Honduras and Nicaragua."

Enders hoped the language would reassure Nicaragua of U.S. goals while military pressure from the contras made peace talks more attractive, the source familiar with his thinking said. Enders renewed his overtures to Managua in early 1983, "and that caused a struggle within the administration," the source said.

Enders viewed the ultimate goal as ridding Nicaragua and El Salvador of Soviet and Cuban influence, which he thought could be negotiated in return for a U.S. promise of nonintervention, according to several people in his office at the time.

But then-national security adviser William P. Clark, Casey and Ikle argued that Nicaragua itself was the problem, according to informed sources. They believed that an agreement with Managua or the Salvadoran leftist rebels that restricted Cuban and Soviet influence would only give the Sandinistas a respite in which to consolidate, become more repressive and renew the export of revolution. It would be like the agreement between President John F. Kennedy and Fidel Castro that conservatives felt had guaranteed Castro's survival.

Around that time, conservatives were also formulating the "Reagan Doctrine," the idea that Soviet-backed governments in the Third World could be subjected to democratically-oriented rebellions that might topple them without any direct U.S. involvement. Nicaragua's contras fit right into that vision; negotiations did not. Then-United Nations Ambassador Jeane J. Kirkpatrick visited Nicaragua and returned to argue the Reagan Doctrine case.

Enders was fighting a losing battle. One of his memos proposing a "two-track policy" of military aid to El Salvador plus "exploration of discussions with the [Salvadoran] left"—at that time anathema to the Salvadoran government—was leaked to the press in February 1983, and he was effectively sidelined. He resigned in May.

Negotiating Option Dropped

Although the view circulated that Enders promoted talks only as a gambit to disarm U.S. critics and create dissent in the left, his critics and supporters now say he was serious, and that the peaceful option was never successfully argued after his departure. Enders may have believed that the Sandinistas would never negotiate, his supporters now say, but he wanted the record to show that the door had been open.

"There's been a lot of talk about negotiations since then, but no action," said a former State Department official who worked with End-

ers. Special negotiators Richard B. Stone, Harry Shlaudeman and Philip C. Habib all began their later efforts under the impression that there could be modifications in the opening position they were instructed to present, which the Sandinistas said boiled down to Sandinista capitulation.

Another former senior official said Habib "thought he had freedom to negotiate. He made real proposals and got his ears pinned back" by the White House.

In practice, neither side ever offered significant concessions, according to several people close to the talks.

"They [the Sandinistas] wanted all or nothing too," a former negotiator said. "Those in the administration who wanted that from our side couldn't have won if the Sandinistas hadn't been so bloody-minded about it."

NEXT: Reagan takes the lead.

A CONTRA CHRONOLOGY: THE EARLY YEARS



Commander Zero, once a Sandinista leader, later a contra



Anti-Sandinista rebels in Nicaragua



Edward P. Boland



Thomas O. Enders

1979

JULY Sandinista National Liberation Front takes power, ending more than 40 years of Somoza family rule in Nicaragua



1981

JANUARY President Carter suspends U.S. aid to Nicaragua

MARCH Reagan administration decides to back anti-Sandinista rebels, or contras

NOVEMBER Directive ratifies policy including CIA role in aiding contras

1982

MARCH Contras launch their first U.S.-aided offensive

JULY National Security Council decides to proceed with major U.S. buildup in the region

DECEMBER Congress passes first Boland Amendment, prohibiting use of funds to overthrow the Nicaraguan government

1983

JANUARY Infighting in the administration over "two-track" policy of negotiating with—while fighting against—the Sandinista government

MARCH Assistant Secretary of State Thomas O. Enders loses fight for the "two-track" policy. Negotiations dropped as an option