

The crisis in Washington: what history tells us, Part Two

Iran-Contra

Martin McLaughlin
4 April 1998

[Part One] [Part Two] [Part Three]

The following is the second article in a three-part series outlining the most important political crises in the US of the 1970s and 1980s, the Watergate and Iran-Contra affairs, and the profound abuses of presidential power which they involved.

The Iran-Contra affair involved political and constitutional issues of even greater magnitude than Watergate. Instead of a relative handful of White House “plumbers” recruited to spy on political opponents and plug leaks, a full-scale paramilitary operation was organized from a basement office in the White House, involving hundreds of ex-CIA and ex-military men, a small armada of planes and ships, secret bank accounts in Switzerland and Panama, and a vast fundraising program.

As with Watergate, Iran-Contra stemmed from the efforts of the White House to free itself from legal and constitutional constraints on the exercise of executive power. And as with Watergate, this imperative originated in response to a foreign policy debacle. Watergate arose as a byproduct of the defeat of US imperialism in Vietnam. In the Iran-Contra affair, the impulse came from nationalist revolutions that shattered US-backed regimes in two important client states, Nicaragua and Iran.

The Iranian Revolution of 1978-79 destroyed the bloodstained tyranny of Shah Mohammed Reza Pahlavi and brought the Ayatollah Khomeini to power at the head of a mass popular movement headed by Shi’ite clerics and pledged to establish an Islamic Republic. The Nicaraguan Revolution overthrew Somoza in July 1979 and replaced his family dynasty, the linchpin of US domination in Central America for four decades, with a radical nationalist regime that sought allies in Castro and the Soviet Union.

While Khomeini and the Sandinistas had sharply different ideologies and programs, both came to power by overthrowing American stooges and hence were regarded with fear and hostility by Washington. These defeats produced a continuing conflict within the American ruling class over what policy to follow in Central America and the Persian Gulf, two regions which were and remain of utmost strategic importance to American imperialism. The dispute was not over whether American capitalism should dominate these regions, but over what method should be pursued, given that it was impossible, so soon after the trauma of Vietnam, to intervene with a large commitment of ground troops.

The war against the Sandinistas

The Reagan administration saw the Sandinistas not as Nicaraguan nationalists, but as the Central American representatives of a global

conspiracy centered in the Soviet Union. Mired in the mindset of 1950s-style McCarthyite anticommunism, the White House resolved to employ every method short of full-scale war to overthrow the Sandinista regime.

The US Central Intelligence Agency armed and trained an anti-Sandinista guerrilla force based in neighboring Honduras and Costa Rica, the so-called Contras, which began a series of terrorist raids into Nicaragua. As the death toll mounted, it was revealed that the CIA had drafted a manual for training the Contras in methods of assassination and that the agency itself had mined the harbors of Nicaragua to stop incoming freighters—an act of war.

In response to large-scale public opposition—as well as protests by European powers that were developing friendly ties with the Sandinista regime—Congress banned any further US financial or military assistance to the Contras. This legislation, titled the Boland Amendment after its principal sponsor in the House of Representatives, Massachusetts Democrat Edward Boland, was first adopted in 1982. It was significantly tightened in 1984 over the opposition of the Reagan White House, which declared the cutoff a death sentence for the Contras.

At a White House meeting following the passage of the stricter version of the Boland Amendment, Reagan ordered the National Security Council—up to then a White House advisory body with a small planning staff—to “keep the Contras together, body and soul,” regardless of the new legislation. Lieutenant Colonel Oliver North, detailed to the NSC from the Marines, was given the operational responsibility, and he established a secret network to arm the Contras.

Dozens of former CIA agents and retired military personnel were recruited to train the Contras, evaluate their military needs and fly weapons into Central America, using airplanes supplied by the CIA and an air base controlled by the right-wing military dictatorship in El Salvador.

The financing to purchase the arms in international markets was found initially from right-wing American capitalists, then later, as the operation became more extensive and complex, from American allies or client regimes—Saudi Arabia, Taiwan, Brunei, South Korea, Israel—which saw covert aid to the Contras as a relatively cheap way to purchase goodwill in Washington.

The result was a steadily growing military apparatus for the Contras, and a mushrooming death toll in Nicaragua, as raids by the Contra guerrillas increased in number and ferocity. It is estimated that more than 20,000 Nicaraguan men, women and children, the vast majority from poor peasant families, were killed in these attacks, whose main purpose was to terrorize the population and destroy the country’s economic life.

Arms for hostages

The Iranian end of the affair had its roots in the other great foreign policy debacle of the Carter administration, the Iranian Revolution of 1978-79, in which the last government appointed by the Shah was overthrown, Prime Minister Mehdi Bazargan was ousted, and power was assumed by Ayatollah Ruhollah Khomeini, who combined Shi'ite fundamentalism and nationalist hostility to US domination of his country.

A series of clashes between the Islamic regime and the US followed, culminating in the seizure of the American Embassy in Teheran and the lengthy hostage crisis, which played a major role in the political demise of the Carter administration. As part of its effort to isolate and undermine the Iranian regime, the US tacitly encouraged Saddam Hussein's invasion of Iran in August 1980.

Both the Iraqi leader and his de facto allies in the CIA and Pentagon counted on a quick defeat of Iran to forestall the threat of Islamic fundamentalism sweeping through the Persian Gulf states, especially those like Iraq, Kuwait, Bahrain and Qatar with either a majority or large minority of Shi'ite Muslims. But the Iranian regime proved to be more durable than expected, and the war instead settled into a long and bloody stalemate.

In 1983 the Reagan administration intervened militarily in Lebanon, dispatching a force of Marines to cover the withdrawal of Israeli troops who had invaded that country the year before. In response to this intervention, an array of nationalist and Shi'ite fundamentalist groups in Lebanon began attacks on American targets, including the bombing of the Marine barracks in Beirut in which hundreds of soldiers were killed, and the kidnapping of prominent American civilians: journalists, educators and government personnel.

In 1984 the CIA's station chief in Beirut, William Buckley, was kidnapped by Shi'ite guerrillas. The CIA and the Reagan administration, convinced that Iran exercised control over the Lebanese groups, were contacted by intermediaries claiming to represent the Iranian authorities and offering the release of Buckley and other US hostages in return for the sale of weapons and weapons components to Iran.

The initial approach was instigated by the Israeli government, working through Israeli and Iranian arms dealers who had established a still largely secret relationship in the course of the Iran-Iraq War. (Israel sided with Iran in the belief that a victorious Iraq would be a more dangerous enemy.) The Iranian arms trader Manucher Ghorbanifar claimed to be able to deliver Buckley and other US hostages, although by this time Buckley had been tortured to death.

In August 1985 the US National Security Council held its first discussion of the proposed arms for hostages deal. Secretary of Defense Caspar Weinberger and Secretary of State George Shultz opposed the plan, but CIA Director William Casey and National Security Adviser Robert McFarlane gave it their backing, and Reagan directed the NSC staff to handle the first shipment of weapons. A few days after its delivery, a single hostage was released in Beirut. A second shipment of missile parts was organized in November 1985, but the Iranians complained that the wrong parts were shipped and no hostages were released.

The same National Security Council operatives—McFarlane, his successor Admiral John Poindexter, and Lt. Col. Oliver North—had the main responsibility for both the Iran dealings and the ongoing arms shipments to the Contras. Faced with opposition from Congress (in the case of the Contras) and from the permanent Pentagon and State Department bureaucracies (in the case of Iran), the White House set up its own paramilitary instrument for carrying out foreign policy operations, a sort of parallel government, operating in the shadows and accountable to no one.

The simultaneous involvement of this small group of officials in two

covert operations made it virtually inevitable that they would overlap and that North would embrace the stratagem, first suggested by Ghorbanifar, of overcharging the Iranians for their weapons and using the proceeds to help finance the contras.

While this so-called diversion of funds was made the focus of attention by the Reagan administration and the media, it was a relatively minor aspect of the Iran-Contra affair. Both operations were flagrantly illegal even if no money had passed from the Iran arms sales to the Contras. The Contra arms network was in direct violation of the Boland Amendment, which prohibited US military and financial aid to the Nicaraguan rightists. As word leaked out about North's role in the operation, congressional committees began questioning White House officials, and North and others lied under oath to cover up their activities, adding perjury and obstruction of justice to their other crimes.

The Iran arms shipments were also illegal, and, according to many accounts, then-treasury secretary and former White House chief of staff James Baker had warned Reagan that they could be grounds for impeachment if discovered. Legislation enacted after the exposure of CIA assassination plots and other covert operations in the 1970s required that the president issue a formal finding outlining the national security rationale for any covert operation, and that the House and Senate Intelligence Committees, or their leaders, be notified. Neither the finding nor the notification were in place when the first two arms shipments were sent to Tehran.

Even after the finding was drafted by the CIA in January 1986 and backdated, no congressional notification was given. In May 1986 McFarlane and North traveled to Teheran personally with a load of missiles and conducted several days of talks with Iranian officials, which only concluded after the Iranians admitted they could not dictate the actions of the Shi'ite forces holding hostages in Lebanon. Talks continued, however, and North brought a visiting delegation of Iranians into the White House for a secret late-night tour.

Exposure and whitewash

The exposure of the two operations came in the fall of 1986. In early October, Sandinista air defense troops shot down the C-130 used in the resupplying of the Contras. Former CIA operative Eugene Hasenfus, a cargo handler on-board the flight, was captured and paraded before television cameras, telling his tale of the US role in shipping weapons to the Contras.

Three weeks later, a Lebanese newspaper reported the visit of North and McFarlane to Teheran the preceding spring, basing its account on material provided by an Iranian student group. This caused a sensation in the US, as it appeared to violate Reagan's posture of never negotiating with terrorists and kidnappers.

Reagan administration officials, wary of the precedent of Watergate, decided to carry out the cover-up of Iran-Contra in the guise of an exposure. Attorney General Edwin Meese went on national television to announce that he had uncovered the diversion of funds from the Iran arms sales to the Contras. Oliver North was fired for carrying out the diversion of funds, while Poindexter was forced to resign.

The focus on the diversion of funds was an exercise in misdirection: a "diversion" in more than one sense. The emphasis on Oliver North's transfer of a few million dollars from one secret operation to another diverted attention from the far more important side of the enterprise: the use of the funds to arm Contra forces who created a bloodbath in Nicaragua. Moreover, by focusing the investigation on an action that could plausibly be presented as an individual initiative by North and

Poindexter, Reagan and other top administration policy-makers, including Bush, Shultz, Weinberger and Casey, could be insulated from the probe.

Investigations were launched amid great publicity. These included a commission chaired by former Senator John Tower to examine administration policy-making, a congressional investigation chaired by Senator Daniel Inouye and Congressman Lee Hamilton, and an Independent Counsel, Lawrence Walsh, to handle the criminal cases. Each of these probes, rather than exposing the real dimensions of the Iran-Contra affair, became a link in the eventual cover-up.

The Tower Commission was a straight-out whitewash, the first of many investigations of Iran-Contra to focus largely on the diversion of funds and declare that, because Reagan supposedly knew nothing of this aspect of the case, he was blameless. Virtually every conclusion of the Tower Commission was proven false or misleading by subsequent probes.

The congressional investigation played the central role in the cover-up. At the outset the Democratic leadership in Congress had decided it wanted no part in a probe which could lead to the impeachment and removal of Reagan. This cannot be explained by referring to Reagan's supposed popularity. After all, Nixon was driven out of the Oval Office less than two years after his landslide reelection.

The Democrats sought to protect the major institutions of the state against the damage that would be done by a full-scale probe into the covert operations and paramilitary conspiracies of the Reagan years. Moreover, they themselves were deeply implicated in these events. A majority of members on the investigating committee had supported restoration of US aid to the Contras when it came to a vote in October 1986, just before the scandal erupted. Thus they had given their approval to the criminal activity which they were now to investigate.

The committee's complicity was demonstrated most clearly in the treatment of Oliver North, who was allowed to testify without giving any prior statement under oath, preventing effective cross-examination. His testimony was a right-wing anticommunist diatribe that went on for nearly a week, virtually unchallenged, as the media provided flattering coverage and opinion polls proclaimed the ex-Marine a popular hero.

A key moment came when one congressman, Democrat Jack Brooks of Texas, sought to question North about his role in contingency planning for the roundup of hundreds of thousands of Central American immigrants and other likely opponents of a US invasion of that region. Chairman Inouye intervened to cut off the discussion, insisting that such issues could only be taken up in secret session.

The investigation by special prosecutor Lawrence Walsh was sabotaged and ultimately shut down by the combined actions of Congress, the courts and the Bush administration. The joint congressional committee gave North, Poindexter and other key witnesses limited immunity in return for their testimony. A federal district judge, upheld by the Appeals Court and then the Supreme Court, ruled that Walsh had to prove that neither the prosecutors nor any of the witnesses had been influenced by this testimony, although it had been broadcast on national television to an audience of tens of millions. Although North and Poindexter were convicted of lying to Congress and several other charges, their convictions were later overturned on this issue.

The Bush administration effectively prevented any prosecution of most of the CIA officials who worked with Oliver North in the secret arms network—Casey himself died in early 1987, before any charges could be brought—by refusing to allow many classified documents to be used as evidence. A federal judge ruled that the CIA defendants could not receive a fair trial without access to these documents, and the Bush administration deliberately withheld them in order to force dismissal of the charges.

Frustrated in most of his prosecutions, Walsh obtained convictions of a handful of State Department and CIA officials and then brought charges of obstruction of justice and perjury against Caspar Weinberger, who had withheld his private diaries in which the key Iran-Contra decisions were

carefully noted. In his final act before leaving office after his defeat in the 1992 presidential election, George Bush pardoned Weinberger and four other former Reagan administration officials. Not a single government official went to prison for their role in a massive violation of democratic and constitutional rights.



To contact the WSW and the
Socialist Equality Party visit:

wsws.org/contact