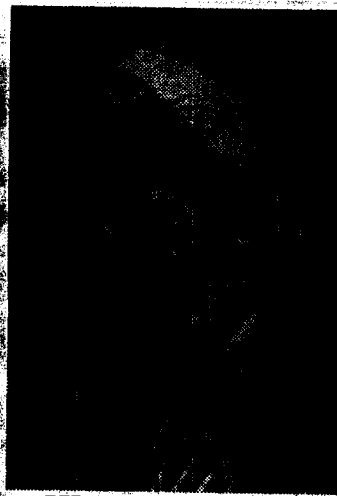


A12 TUESDAY, MAY 19, 1992

Gonzalez, Barr Near Fight On Documents

*Chairman Accuses
Justice of Censorship*



REP. HENRY B. GONZALEZ
... data on prewar Iraq at issue

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By George Lardner Jr.
Washington Post Staff Writer

The Bush administration and the chairman of the House Banking Committee yesterday appeared headed for a confrontation over access to classified documents about the government's prewar courtship of Iraq.

Attorney General William P. Barr threatened last week not to provide any more classified records unless the chairman, Rep. Henry B. Gonzalez (D-Tex.), promised to protect them from "unauthorized disclosure" and stop putting choice selections into the Congressional Record.

Gonzalez responded yesterday with an indignant speech on the House floor, accusing the Justice Department of trying to obstruct a legitimate congressional inquiry and attempting to cover up the details of the failed policy it pursued toward Iraq before Iraq's invasion of Kuwait in August 1990.

"I will not give in to political pressures, and I will fight to tell the whole Iraq and BNL stories," Gonzalez said, alluding to a scandal involving the Atlanta branch of Italy's Banco Nazionale del Lavoro. Gonzalez added that all of the documents and excerpts that he has put in the Record involve past policies, not ongoing operations, and he said "none of them compromise, in any fashion whatsoever, the national security of the United States."

Gonzalez plans to hold a public hearing Thursday on the administration's decision in the fall of 1990 to approve \$1 billion in new Commercial Credit Corporation credits for Iraq, despite evidence by then that millions of dollars in earlier credits routed through BNL had been misused by Iraq. He has also asked the Judiciary Committee to consider requesting appointment of an independent counsel to investigate the actions of administration officials on Iraq under provisions of the Ethics of Government Act. The Judiciary Committee staff is reportedly giving the request serious consideration.

In what struck some lawmakers as a mild reaction to Gonzalez's embarrassing disclosures of the past few months, Barr wrote him Friday to voice "serious concerns" about the practice. Barr said "the executive branch will not provide any more" until "specific assurances are received from you" that access will be limited "to persons with appropriate security clearances."

According to an administration official, Barr wrote to House Speak-

er Thomas S. Foley (D-Wash.) at the same time offering to provide Foley with any documents that may be required and expressing the hope that the speaker "will protect national security interests."

One administration official said the point of the letter was to "make Foley personally responsible." But another official close to the House leadership said "this is just show," pointing out that administration officials and House Republicans are accustomed to shouting about unauthorized disclosures.

"Here they're saying, 'We won't give you any more unless you promise to be good.' I think they must feel boxed in and severely embarrassed by what he's been saying," the official said.

In his floor speech, Gonzalez said the Justice Department "has played a major role" in obstructing access to key documents and in some instances has taken physical control of documents the committee sought from other agencies. In one case, he said, Justice censored part of a Jan. 9, 1990, Federal Reserve Board memo stating that indictments in the BNL scandal were expected in Atlanta the next month. Justice Department officials in Washington subsequently stepped into the case, and the indictments were not returned until a year later—the day after President Bush ordered a cease-fire in the Persian Gulf War.

Gonzalez also pointed out yesterday that Bush granted 11 senior members of his administration exemptions from conflict-of-interest rules six days after Iraq's Aug. 2, 1990, invasion of Kuwait so they could continue to advise him on "policies and military measures" to be taken in response. Gonzalez said the exemptions raised the question of why the officials [including White House national security adviser Brent Scowcroft] and several Cabinet officers, had not disqualified themselves from earlier policy deliberations about Iraq, such as the 1990 decision to extend another \$1 billion in agricultural credits.

Staff writer Ann Devroy contributed to this report.