

Essay

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Digging Deeper in Iraqgate

NY Times 7/6/92

WASHINGTON

In angrily insisting to have had no guilty knowledge of Saddam Hussein's abuse of our grain credits to buy destructive technology, George Bush last week showed no understanding of the First Law of Holes: when in one, stop digging.

The President, entertaining tourists in the Rose Garden for "CBS This Morning," was upset by an irreverent question. It had to do with sworn testimony by Frank Lemay, a Foreign Service officer, that he informed higher-ups on Oct. 13, 1989 — in a memo kept "out of the system" — about a rash of investigations into Iraq's ripoff.

"We didn't know that," Mr. Bush snapped. "The State Department didn't know it. You can talk about what one State Department employee" — he decided against attacking the F.S.O. "And if we had known it," he said about the corrupt diversion, "it wouldn't have happened."

The Bush Iraqgate defense is apparently to claim ignorance of the spreading Lavoro scandal before James Baker directed Agriculture Secretary Clayton Yeutter to push through a half-billion-dollar payment to Saddam.

The President dug himself in deeper: "We did not do to enhance his nuclear, biological or chemical capability." Then he inadvertently pushed open a door: "I have an executive order out on specifically that."

I called his press secretary to note that the President had just declassified National Security Directive 26 by describing its contents on the air, and asked for the text. Marlin Fitzwater confirmed that N.S.D. 26 was the document referred to, and suggested I get a copy from Congress.

A portion of which I did. That Oct. 2,

With a
suggestion
for
Bush's
redemption.

1989 policy directive making Saddam our central gulf ally contains this passage: "We should pursue, and seek to facilitate, opportunities for U.S. firms to participate in the reconstruction of the Iraqi economy, particularly in the energy area, where they do not conflict with our non-proliferation and other significant objectives." (Italics mine.)

What does Mr. Bush's use of the word "nonproliferation" tell us? The "energy area" could mean oil and gas energy, or it could mean nuclear energy. Nobody worries about oil and gas proliferation — but we do oppose nuclear proliferation.

This strongly suggests Mr. Bush wanted to encourage U.S. firms to supply Saddam's nascent atomic program with our nuclear and computer technology, which the Defense Department had resisted. In the preceding paragraph of N.S.D. 26, he warns of economic and political sanctions for "Any breach by Iraq of I.A.E.A. safeguards in its nuclear program."

George Bush signed that infamous directive to help arm Iraq 58 days after the F.B.I. raided the Lavoro Bank's Atlanta office to discover Iraqi skimming and abuse of U.S. loan guarantees. James Baker, well aware by briefing and in writing of Saddam's fraud, went ahead under N.S.D. 26 to spin-twist Agriculture to disregard creditworthiness and hand over \$500 million more to Iraq.

Now about Mr. Bush's "the State Department didn't know it."

On Oct. 17, 1989, three days after Frank Lemay delivered his memo detailing the Iraq-Lavoro investigations to Undersecretary Richard McCormack, the Treasury Department's Rachel Bailey made contemporaneous notes of the reaction of its recipients in State: "McCormack is particularly seized. Baker is putting pressure. Bob [Downes] spending a lot of time: Sofer, McCormack, Kimmitt. Baker is insisting on being kept informed."

Mr. Bush should stop pretending he and Baker were out of the loop, come clean on the real motive and ask the court to appoint independent counsel before Congress demands it.

Then he should try to redeem his failures before and after Desert Storm. That means recognizing the legitimacy of Kurdish leaders Talabani and Barzani, victors in democratic elections in the zone of Iraq we protect with Britain and Turkey.

It means publicly approving the recent meeting in Vienna of leaders of all anti-Saddam elements, and extending our aerial protection to a provisional government of all factions inside Iraqi Kurdistan. And it means inviting these anti-Saddam leaders to the White House to dramatize America's endorsement of their aim to establish democracy in Baghdad.

That would be a start. Some good may yet come out of prosecuting the crimes of Iraqgate. □