

# Back Into the Loop...

## *Lawrence Walsh's Lonely Legacy Was Exposing the Corruption of Power*

By Peter Kornbluh

**I**N DECEMBER 1986, Judge Lawrence Walsh came to Washington to be the Perry Mason of the Iran-contra scandal. Six and half years later, he leaves as the scandal's Lone Ranger, much maligned by his enemies, abandoned by would-be allies and misunderstood by the press. The media have focused on the character of the messenger and paid far less attention to the content of his message—that the Iran-contra affair was a prolonged official assault, not only on the law, but on the American system of governance.

Walsh's diligent investigation is now concluded and his final report on the scandal is expected to be released in early October. According to sources familiar with its contents, the report documents the roles of more than two dozen Reagan administration officials, including the former president, Vice President George Bush, CIA Director William Casey and Defense Secretary Caspar Weinberger. When issued, Walsh's report will become the most definitive account of the illicit arms-for-hostages and contra resupply operations and the official coverup of both.

But when the conventional wisdom is that few people remember the Iran-contra affair and even fewer care, the independent prosecutor's report is unlikely to get the consideration it deserves. Walsh isn't likely to get anywhere near the amount of media attention lathered on the likes of admitted prevaricators such as Oliver North. Recall the unprecedented hour and a half on "Nightline" that North got to promote his own self-serving memoir.

As a principled truthseeker in a capital city comfortable with official mendacity, Walsh hasn't found a lot of support. His defense of the American people's right to know about high crimes and misdemeanors has been a lonely one. The independent prosecutor's legal mission was undermined by policymakers in the executive branch who covered up evidence and withheld documents relevant to his prosecu-

tion of former Reagan administration officials. This pattern of obstruction culminated in President Bush's Christmas Eve 1992 pre-trial pardon of Weinberger.

**W**hile the former officials and their conservative supporters have attacked Walsh in vituperative terms, almost nobody on Capitol Hill has risen to his defense. The notion that pursuing justice is a necessary deterrent to national security crimes of state seems lost on Congress—the institution most victimized by the Iran-contra abuses.

One reason is that Walsh's investigation has highlighted the irresponsibility of Congress's handling of the scandal in 1987. The inability or unwillingness of Congress

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to expose the full story of the Iran and contra operations allowed the Reagan and Bush administrations to construct a mythology around covert foreign policies in the Middle East and Central America.

In contrast, Walsh's report will present a comprehensive body of evidence on the corruption of power, policy and politics in Washington—providing a verdict of history where courtroom verdicts have proven elusive. Already the independent counsel's investigation has exposed the five most common myths of the scandal:

■ *Myth No. 1: The scandal was about the diversion to the contras of funds derived from arms sales to Iran.*

On Nov. 25, 1986, President Reagan and Attorney General Edwin Meese made a sensational revelation: the discovery of a memo written by North, outlining a scheme to divert profits from the arms-for-hostages deals in Iran to the anticommunist rebels of Nicaragua. Congress and the media alike immediately defined the key question of the scandal as "What did the president know about the diversion

and when did he know it?" This largely irrelevant question has dominated public understanding of the Iran-contra affair ever since.

In fact, as Walsh's investigation indicates, the diversion was a diversion. As North himself noted in his memoirs, if the press focused on the funding connection between the Iran and contra operations, it would not focus on other, more serious misdeeds. The diversion, in North's words, "was so dramatic, so sexy that it might actually—well, *divert* public attention from other even more important aspects of the story, such as what else the president and his advisers had known about and approved." Those "other aspects" included operations that Reagan was told were illegal.

■ *Myth No. 2: Reagan and his aides were simply pursuing controversial policies that they believed to be legal.*

The Iran-contra scandal was about the "criminalization of policy differences," Bush proclaimed last year while pardoning Weinberger and others.

In fact, the Iran-contra scandal was about the pursuit of policy by criminal means. As Walsh's investigators have already documented, Reagan's advisers told him point blank that his administration's covert foreign policy initiatives violated the law and could lead to his impeachment.

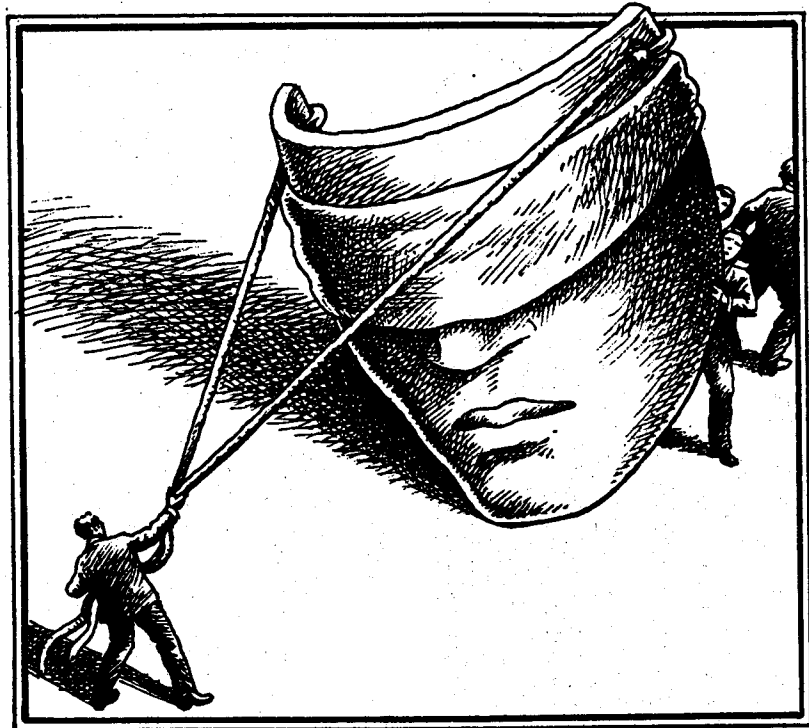
On the contra side of the scandal, Walsh has produced extraordinary documentation and testimony on the effort to circumvent the congressional ban on aid to the contras. In a top-secret meeting in June 1984, for example, Secretary of State George Shultz advised Reagan that turning to third countries to supplant congressional appropriations could be "an impeachable offense." Nonetheless, Reagan not only authorized approaching other governments but also approved so-called quid pro quos to secure their help in the contra resupply operations. These schemes of blackmail, bribery and coercion were, in the words of historian Theodore Draper, "so shady that [they] could not be revealed without shame."

Reagan was likewise warned about the

illegality of his arms-for-hostages deals. Those transactions were initiated in the fall of 1985 when two shipments of U.S. arms were sent through Israel to Iran. These shipments violated the Arms Export Control Act, which forbids transfer of U.S.-supplied weapons to certain other countries. In December, Weinberger warned Reagan that the shipments were clearly "illegal" and that his Cabinet members might eventually be visiting him in jail. According to Weinberger's notes, the president "said he could answer charges of

illegality but he couldn't answer charges that "big strong President Reagan passed up a chance to free hostages."

When the Iran initiative was exposed in November 1986, however, the White House decided that Reagan couldn't answer these charges of illegality. In a panic U.S. officials undertook extensive efforts



BY JEAN-FRANCOIS ALLAUX FOR THE WASHINGTON POST

to falsify the record of the 1985 arms-for-hostages shipments. This massive, Watergate-style coverup was only partially exposed by congressional investigators in 1987.

Key to the coverup was what Walsh called "Weinberger's early and deliberate decision to conceal and withhold extensive and contemporaneous notes on the Iran-contra matter." By keeping these notes from investigators in 1987, Walsh charged, Weinberger "radically altered the official investigations and possibly forestalled timely impeachment proceedings against President Reagan and other officials."

■ *Myth No. 3: George Bush was "out of the loop."*

One of those officials might well have been Vice President George Bush. But from November 1986 until only days before the 1992 election, Bush managed to sustain the myth that he was out of the

room when the arms-for-hostages issue was discussed, and out-of-the-loop of the broader Iran-contra operations.

Bush's success in denying his role owed in large part to Congress's failure to expose what he knew and when he knew it. The executive summary of the 1987 congressional report contained but two sentences on Bush's knowledge and actions: "The Vice President attended several meetings on the Iran initiative but none of the participants could recall his views. The Vice President said he did not know of the contra resupply operation."

In fact, Bush did know about the contra resupply program and he actively supported the Iran initiative. Walsh's investigation has proven both beyond a reasonable doubt.

Bush, for example, assisted in the White House effort to circumvent a congressional ban on funding for the contras. He helped facilitate a secret quid pro quo with the government of Honduras, according to State Department and White House documents uncovered by the independent counsel. In January 1986, Bush met the president of Honduras to discuss the "supply of the Democratic Resistance Forces."

Bush's talking points for the meeting stated: "We, President Reagan and I, hope we can work very quietly and discreetly with you. It can be done with deniability. . . ."

On the arms-for-hostages deals, Bush's repeated protests of innocence and ignorance were exposed as false by Weinberger's notes on a Jan. 7, 1986, meeting, which were made public just before the 1992 presidential election.

"President has decided to go with Israeli-Iranian offer to release our 5 hostages in return for sale of 4000 TOWS to Iran . . ." Weinberger wrote. "George Shultz and I opposed—Bill Casey, Ed Meese + VP favored."

Bush's own dictated notes, which he withheld from investigators until last January when Walsh's office forced their release, show that he considered himself very much in the loop. "On the news at this time is the question of the hostages," Bush recorded privately on Nov. 5, 1986,

after the first press reports on the Iran operations. "I'm one of the few people that know fully the details . . . This is one operation that has been held very, very tight, and I hope it will not leak."

■ *Myth No. 4: A "cabal of zealots" was responsible.*

In 1987 Congress formally attributed the scandal to "a small group of senior policy makers" whose ideological fervor had led them into excess. "What may aptly be called 'a cabal of zealots' was in charge," Congress concluded. It was a comforting interpretation of the scandal. Once the cabal was removed the ship of state could get back on course.

In reality, the illicit operations in Central America and the Middle East incorporated a broad number of people, from the president, vice president and Cabinet members, to regional specialists on the NSC staff, to CIA officials and operatives, to U.S. diplomats in Brunei, Kuwait, Honduras and Costa Rica, among other nations. Institutional responsibility, moreover, went beyond the NSC, which received most of the public attention during the televised congressional hearings in 1987. In particular, Walsh's prosecution of the CIA's former director of operations, Clair George, shed light on the deliberately obscured role of the CIA.

Rather than the work of a few individuals who filled a void left by Reagan's vacuous political leadership, the Iran-contra affair reflected a more systemic abuse of secrecy, deception and criminal misconduct—with far more serious implications for the American constitutional system.

■ *Myth No. 5: The system worked.*

The congressional investigating committees concluded that the Iran-contra scandal "resulted from the failure of individuals to observe the law, not from deficiencies in existing law or our system of governance." Accordingly, they recommended only a few minor changes in the laws governing covert operations and passed even fewer in the 1988 Intelligence Act. Thereafter, Congress acted as if the lessons of Iran-contra had been learned.

Instead, business as usual quickly resumed in Washington—the usual business of disregard for the law, official deceit and excessive secrecy. By the summer of 1989, the Bush administration was assisting Saddam Hussein's government in Iraq, a covert foreign policy initiative that involved (yet again) the illicit transfer of weapons technology, misuse of taxpayer dollars for ill-conceived geopolitical designs, deception of Congress and evasion of law enforcement. The direct evolution

of Irangate into Iraqgate—which led directly to the Gulf War—exposed the continuing abuses of the executive branch and the failure of Congress to monitor and enforce its own laws.

“Tragedies like the Iran-contra affair,” wrote Sens. Daniel Inouye and Warren Rudman in 1987, “unite our government and our people in their resolve to find answers, draw lessons and avoid a repetition.” This, sadly, is another myth that has been dispelled by Walsh. In the end, the independent counsel’s office has been the lone agency to pose the critical questions and to pursue the answers. The obstacles Walsh has faced from the obstructionist executive branch, a complacent Congress and a cynical media demonstrate that there is little resolve in Washington to make the changes necessary to prevent foreign policy scandals in the future.