Declassified and Approved For Release 2012/01/11 : CIA-RDP90-00965R000403010002-5

WALL STREET JOURNAL
14 November 1986

ARTICLE APPEARED ON PAGE 1

Crisis for Reagan

Setbacks May Unravel Foreign-Policy Gains Of the Administration

Shipment of Weapons to Iran Is the Latest Issue to Raise Doubts About Credibility

Avoiding Leaks and Congress

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WASHINGTON—After impressing the world by building U.S. strength and credibility, the Reagan administration has suffered a series of embarrassments that threaten to unravel gains that President Reagan's bold foreign policy has won.

"I'm afraid that after six years of things looking as if they were coming together, suddenly they are all coming apart for a variety of reasons," says Lawrence Eagleburger, a former Reagan administration undersecretary of state and now the president of Kissinger Associates in New York. "It could be a very rough two years ahead."

Three recent revelations have raised questions about the administration's credibility, both at home and abroad: the president's admission that the U.S. has secretly been sending arms to Iran while the U.S. was campaigning publicly to isolate the Islamic republic for its support of terrorism; allegations that the administration was skirting congressional restrictions on aid to Nicaraguan rebels; and the details of the U.S. campaign to deceive Libya.

Goal of Speech

In a combative, nationally televised speech last night, President Reagan described as "utterly false" news reports that his administration had sold arms to Iran in a direct swap for the freedom of U.S. hostages in Lebanon.

"The United States has not made concessions to those who hold our people captive in Lebanon. And we will not," he said.

Mr. Reagan conceded, however, that he approved small shipments of defensive and spare parts to Iran to demonstrate that the U.S. was sincere in seeking "a new relationship" with Iran, which could lead to the hostages' release. (See story on page 3.)

The speech was designed to ease the immediate credibility crisis over U.S. anti-terrorism policy. But other problems remain, raising doubts about the administration's ability to move forward or even hold on to its foreign-policy gains so far.

For instance, the president's confusing and contradictory accounts of his meeting with Soviet leader Mikhail Gorbachev in Iceland last month, along with growing doubts about the wisdom of Mr. Reagan's nuclear-arms policies, have prompted questions about the administration's competence.

Because the administration is losing the upper hand in managing its foreign policy, the debate is shifting from the substance on each issue—Iran, Libya, Nicaragua, arms control—to concerns about judgment and performance.

"We are seeing, as we did towards the end of the Carter administration, disarray, inability to cope with our problems, generalized fallout that is going to do damage," says Fred Dutton, a former secretary of the cabinet during President Kennedy's Bay of Pigs debacle and currently a lobbyist whose clients include Saudi Arabia.

Of course, Mr. Reagan still has two years to pursue his major foreign-policy goals—arms control, a reduction in terrorism, and rolling back Marxist gains in Nicaragua and around the world. He commands broad public support and retains the ability to surprise the world with his boldness.

Facing Congressional Battles

But with the Senate now controlled by the Democrats and with the jockeying for the presidency under way once more, Mr. Reagan is likely to face more pressure to explain and justify his foreign policies. Republicans as well as Democrats have been critical of his secret dealings with Iran. Next year the administration will face battles in Congress over aid to the Nicaraguan rebels, a nuclear-test ban, strategic-defense research, the defense budget, U.S. policy toward South Africa, trade and other issues.

And even if the administration's decision to send military supplies to Iran leads to the release of more hostages from Lebanon, the once-covert initiative will continue to generate criticism. The secret Iran negotiations were "the worst handling of an intelligence problem in our history," says Sen. Daniel Patrick Moynihan, the New York Democrat and former co-chairman of the Senate Intelligence Committee.

"Great powers cannot afford to be misunderstood," says Robert Hormats, a former Reagan State Department official who now is a vice president at Goldman, Sachs & Co., the securities firm. "Pursuing one resolute policy in public and another in private has harmed the administration's credibility."

Democratic Sen. Claiborne Pell of Rhode Island, who will become the chairman of the Senate Foreign Relations Committee in January, says, "The objective of trying to get our hostages released was a fine one. The methodology was poor." Several congressional committees plan to hold hearings on the administration's covert dealings with Iran.

And Sen. Pell says he expects Senate hearings early next year on arms control and a nuclear-test-ban treaty. While he doesn't want to "start out by blanket critiques of the administration," he says, he is concerned about the prognosis for arms control. "The question now," he says, "is the will to reach that agreement."

Mr. Hormats believes that the credibility damage from the Iran affair can be reversed if the administration makes progress on arms control, which is the most important issue for many of this country's allies, and if U.S. officials quickly sit down with the allies to come to a consensus and clear the air about anti-terrorism policy. Until such actions take place, he concludes, "it certainly is a major setback to Reagan's foreign policy; if a great power does things which confuse its own people and its allies, that inevitably must weaken its ability to conduct its foreign policy."

Ironically, President Reagan now seems to be plagued by the same kind of foreign-policy confusion, contradictions and credibility problems that he campaigned on in 1980 as weaknesses in the administration of his predecessor, Jimmy Carter.

What bothers many in Congress is the secretiveness of the Reagan foreign policy. Both Democrats and Republicans on Capitol Hill are angry that they weren't informed about the Iran hostage plan. Even the intelligence committees weren't told about it until after the news was leaked by a Lebanese magazine. "Certainly they're setting up a messy situation for the Democrats to take a crack at in Congress . . . which now has an institutional interest to make sure its turf is maintained," says Mr. Dutton, the former cabinet secretary.

Frustrations have been building in Congress for years over the Reagan administration's sharp increase in covert activities around the globe. "If covert operations grew any faster, they'd be listed on the New York Stock Exchange," says a former Reagan administration State Department official, Richard Haass, who now teaches at Harvard.

Some in the White House inner circle, however, favor such covert missions as a way to outflank congressional and bureaucratic resistance to their policies. Thus, in what looked like a bad "Mission Impossible" script, former National Security Adviser Robert C. McFarlane and Lt. Col. Oliver North, a member of the National Security Council staff, secretly flew to Tehran in May aboard a plane delivering military hardware but returned empty-handed.

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Sen. Barry Goldwater, the Arizona Republican who heads the Senate Armed Services Committee, says: "It seems to be true . . . that the United States has given either parts or equivalent to Iran to release some hostages. I think that's a dreadful mistake, probably one of the major mistakes the United States has ever made in foreign policy."

The decision to use the National Security Council as a focal point for action, and cut the State and Defense departments out, apparently emerged from three factors: a fear of leaks, a desire to avoid congressional oversight, and an attempt to overcome the rivalries and dissension that sometimes led to foreign-policy gridlock during President Reagan's first term.

Now a smaller, more isolated group of advisers is both shaping and carrying out foreign-policy decisions at the White House. While Chief of Staff Donald Regan is credited with ending the embarrassing dissent, he is faulted for limiting the advice that the president gets.

The administration's arms-control and nuclear policies have generated confusion. Mr. Reagan's 1983 proposal for a missile-defense system popularly called Star Wars appeared at first to be a clever political stroke to defuse the growing anti-nuclear movements in the U.S. and Western Europe.

After Reykjavik

But after his meeting with Soviet leader Gorbachev in Reykjavik last month, the impression emerged that Mr. Reagan seriously believed that his Strategic Defense Initiative could lead to the abolition of nuclear weapons.

As a result, some leading nuclear strategists worry that the president may unwittingly have undermined political support for nuclear weapons in both the U.S. and Western Europe without offering a practical replacement for the 40-year-old doctrine of deterrence.

The Soviets now are trying to capitalize on confusion over what Mr. Reagan said in Iceland. At the arms talks in Geneva, they are trying to hold Mr. Reagan to his purported promises to negotiate ambitious schemes either to abolish all strategic nuclear weapons or to do away with all nuclear weapons. He will have to explain to a skeptical Congress why it should spend billions of dollars to modernize the nation's nuclear force with new weapons he wants to abolish and billions more for Star Wars defenses that, if he gets his way, won't have any ballistic missiles to shoot down.

The Iranian initiative has also bred confusion. The president explained the reason for trying to deal with moderate elements in the Iranian leadership in his speech last night. Nevertheless, the negotiations have compromised the administration's policy on terrorism and America's proclaimed neutrality in the Iran-Iraq war.

Brzezinski's View

"The basic idea of opening links to Iran is a good one, but the administration's pursuit of it ended up with us being suckered by both the Iranians and the Israelis," says Zbigniew Brzezinski, who made a vain effort of his own to open a channel to Iran when he was Mr. Carter's national-security adviser.

"We have put ourselves in a position where we will not be believed and where our own reliability and steadiness are open to question," says Mr. Eagleburger, the former undersecretary of state. "And reliability and steadiness are the most important attributes of our foreign policy, because we are the leaders of the Free World and others depend on us and on what we say."

In September, the administration befuddled its allies and the American public when it reluctantly admitted that it had drafted a plan to use deceptive military maneuvers and covert operations to unnerve Libyan leader Moammar Gadhafi. As part of the effort, which was approved by the President and his top advisers, the U.S. planned to spread false reports in the Mideast and deploy ships near Libya in a threatening manner.

The administration's efforts to encourage support for the anti-Sandinista rebels in Nicaragua, even while Congress forbade direct assistance, have raised more questions about the role of the National Security Council and about the administration's willingness to live within the law. "The administration put the cart before the horse by getting involved in a paramilitary operation without first building a political base for it," says William Colby, former director of the Central Intelligence Agency.

The administration, notes former Defense Secretary Harold Brown, now the chairman of Johns Hopkins University's Foreign Policy Institute, came into office convinced that rebuilding American strength and assertiveness would reverse the growth of Soviet power.

But, he contends, "The administration lacked a coherent view of the world and a coherent organization that could digest complex problems, analyze them, pass them up to the president for decisions, then implement them. That was bound to lead to trouble down the line."

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