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Contras Have Probably Lost Congress

Shift Began With Fall Elections, Scandal May Do the Rest

By WILLIAM M. LEOGRANDE

The revelation that the National Security Council illegally diverted profits from the Iranian arms deal to the Nicaraguan *contras* has probably shattered the slim congressional majority in favor of contra aid that Ronald Reagan spent two years of bitter, hard-fought political battles working to build.

President Reagan was always defiant of the ban on contra aid imposed by Congress in 1984, vowing from the outset to continue U.S. support for the rebels until the congressional verdict could be reversed. Just a few months ago it was: Congress voted by narrow margins in both chambers to lift the ban on military aid and provide \$100 million for the *contras* in their bid to overthrow the Nicaraguan government. Now, however, the growing scandal over the Administration's back-door efforts to provide funds while the congressional ban was still in force may prove to be the undoing of the entire program.

The first blow to the contra aid policy came with the 1986 election returns. A Democratic Senate will be a much less congenial place for contra aid than Reagan enjoyed when the Republicans were in the majority. But the election alone did not give opponents enough votes to kill the program. They needed to pick up four votes in the Senate and seven in the House to defeat military aid for the *contras*, and substantially more to prohibit all aid. They gained only a few votes in each chamber, leaving the Administration with a fighting chance to keep the program going.

The Iran connection changes all that. Supporters of contra aid are already trying to limit the damage, insisting that the National Security Council's dubious financial deals do not diminish the merits of the *contras'* cause. But the secret slush fund inevitably taints the entire policy.

From the beginning, congressional opposition to such aid has been based in part on improprieties in the Reagan Administration's management of the program. The Central Intelligence Agency's mining of Nicaragua's harbors and its authorship of the "terrorism manual" advocating assassination convinced many in Congress that the policy was out of control. By failing to fully inform the intelligence committees of the dimensions of the contra war, the Administration lost the confidence of Congress. The issue then became one of institutional prerogatives in the conduct of foreign policy. Congress halted the contra aid program in 1984 in order to forcefully

assert its right to oversee covert intelligence operations.

The discovery of the *contras'* secret slush fund raises this issue anew. Atty. Gen. Edwin Meese III has admitted that the National Security Council staff channeled military aid to the *contras* through a secret Swiss bank account at a time when the law explicitly prohibited the U.S. government from providing such aid. Whether or not Lt. Col. Oliver L. North or anyone else is held criminally liable, there is virtually unanimous bipartisan agreement on Capitol Hill that the scheme violated the law. Instinctively, many members will lean toward curtailing the contra aid program as the only sure way to put an end to such abuses of authority.

The *contras'* supporters will be hard-pressed to argue that the creation of the slush fund was an aberration. It now appears that the profits from the Iranian arms deal were used to finance the semi-private contra air-supply operation that Eugene Hasenfus was engaged in when his plane was shot down over Nicaragua in October. Hasenfus' testimony and documents aboard the plane revealed that the air-supply operation was part of a whole network of private funding efforts for the *contras*, organized and coordinated out of the National Security Council by none other than North. These operations, too, were being conducted, as Sen. Sam Ervin used to say, "on the windy side of the law."

There is probably more to come. Nobody believes that North engineered the money-laundering scheme on his own authority. Half a dozen congressional investigations are planned, replete with subpoenas and witnesses testifying under oath. The entire contra operation will be dissected in minute detail. If there is more dirt to be found—and most observers think there is—it will almost certainly be uncovered. As the scandal grows it will be increasingly difficult for members of Congress to support contra aid without appearing to condone the wrongdoing associated with it.

None of this bodes well for the contra aid program's future. The first real test will come in February, when Congress will have an opportunity to block dispersal of the final \$40 million from the \$100-million package approved last summer. Reagan can veto a resolution disapproving dispersal, so there is no doubt that the \$40 million will eventually be released. But that could well be the last of the contra aid money: additional funding will require a congressional majority. The February vote will show whether or not Reagan has lost it.

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