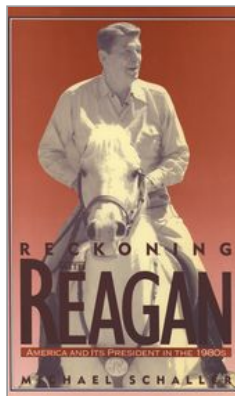


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Reckoning with Reagan: America and Its President in the 1980s

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The Iran-Contra Affair and the “End” of the Cold War

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Abstract and Keywords

This chapter examines the revelation of the Iran-Contra Affair and the end of the Cold War during the second term of Ronald Reagan as U.S. president. It describes how Reagan initiated the Contra aid program and organized anti-Sandinista guerrillas among Nicaraguan exiles, and explains the role of Oliver North in the Iran-Contra affair. It also explains how Reagan reacted and strategized when the issue was revealed in November 1986.

Keywords: guerillas, Contra aid program, Sandinistas, Nicaraguan exiles, Oliver North

DURING THE 1980 election campaign, Reagan had criticized Jimmy Carter for abandoning America's long-term client, Nicaraguan dictator Anastasio Somoza, whose family had ruled that country as a personal fiefdom since the 1920s. After 1981, the new president accused the Sandinista leadership of turning Nicaragua into a “Soviet ally on the American mainland.” In one especially vivid speech, Reagan conjured up a vision of Sandinistas driving a convoy of armed pick-up trucks north into Harlingen, Texas, a small town along the Mexican border. Political satirist Garry Trudeau parodied the warning in his “Doonesbury” comic strip which depicted a group of “good ole’ boys” from Harlingen peering through the sights of their hunting rifles ready to repulse the pending invasion.

The Sandinistas, to be sure, were real Marxists who bitterly criticized the United States for its long support of Somoza. They did receive aid from the Soviet Union and other anti-American governments. Also, as Reagan charged, they failed to hold free elections, stifled dissent, socialized parts of the economy, and served as a conduit of arms (many of them U.S. weapons captured by North Vietnam in 1975) from the Soviet bloc to the Salvadoran guerrillas.

These sins, however, had to be seen in perspective. Sandinista human rights abuses paled before the gory record of pro-American regimes in El Salvador and Guatemala. Since the entire population (**p.150**) of Nicaragua numbered less than that in some neighborhoods in Mexico City, Reagan's talk of the grave threat posed by the Sandinistas to the entire hemisphere was highly exaggerated. Also, in 1989, *after* the United States abandoned military efforts to depose the Sandinistas, they permitted free elections and allowed their victorious opponents to form a democratic government.

Shortly after becoming president in 1981, Reagan instructed CIA director William Casey to organize anti-Sandinista guerrillas among Nicaraguan exiles. In order to distance the United States from this activity, initially the CIA relied on members of the Argentine armed forces to conduct the training. But in 1982 Great Britain and Argentina fought a brief but fierce war over control of the Falkland Islands, a bleak British colony in the South Atlantic claimed by Argentina. Furious at Washington for its support of Britain, the

Argentines quit helping and left the program in American hands.

Thereafter, the *contras*, or, as Reagan called them, “freedom fighters,” survived almost entirely on United States aid. Much of it still arrived indirectly. For example, between 1981 and 1986, Panamanian dictator General Manuel Noriega served as a conduit for American money and arms to the *contras*. He conferred several times between 1981 and 1986 with William Casey, Vice President George Bush, and National Security Council staff member Col. Oliver North to arrange details of the aid operation.

Noriega, whose sole motivation appears to have been personal enrichment, demanded a price for his services. As the Reagan administration already knew, the Panamanian strongman had gone into business with Colombian drug smugglers, including members of the infamous Medellin cocaine cartel, who used Panama to transship narcotics to the U.S. market and launder their money. Even as Reagan declared a “war on drugs,” his administration overlooked these sins in return for Noriega's cooperation in the American-directed program to help the *contras*. In the view of former ambassador to Costa Rica Francis J. McNeil, the Reagan administration “coddled General Noriega in the interests of Nicaraguan policy.” Similarly, the administration tolerated reported drug smuggling by the Hondurian military and even among the *contras* themselves, all in the name of anti-communism. The president lost **(p.151)** no opportunity, however, to highlight reports of Cuban and Sandinista involvement in drug smuggling.

By 1987–88, public disclosure of illegal American support for the *contras*, the death of William Casey, and the move toward a negotiated settlement in Nicaragua reduced Noriega's usefulness to Washington. As his links to Washington became a public embarrassment, the Reagan administration in February 1988 permitted the Justice Department to indict him on drug smuggling charges and imposed economic sanctions on Panama. At the end of 1989, President Bush ordered U.S. forces to invade the isthmus. Seized and taken to stand trial in Miami (the case came to court only in September 1991), the ex-dictator maintained that his involvement with drug traffickers had taken place with the knowledge and tacit

approval of American officials as part of the anti-*contra* program.

With American support, *contra* ranks swelled to between ten and twenty thousand men by 1985. Some *contra* political leaders were real democrats who had opposed Somoza. But most of the military commanders, the real power in the movement, had served in the deposed dictator's army.

When members of Congress raised questions about the scope and purpose of covert operations in Nicaragua, CIA director Casey assured them that neither the Reagan administration nor the *contras* sought to overthrow the Sandinista regime. Instead, the spy agency used the guerrillas to interdict Sandinista military aid to rebels in El Salvador. But Congress grew restive over mounting evidence that *contra* attacks within Nicaragua had killed thousands of civilians. Representative Edward P. Boland, a Democrat from Massachusetts, sponsored a resolution in 1982, known as the Boland Amendment, which capped CIA aid to the *contras* at \$24 million and ordered that none of the funds be used to topple the Nicaraguan government.

Reagan, who dubbed Congress a meddlesome “committee of 535” members, rejected the notion of legislative oversight of his foreign policy initiatives. He directed his subordinates to circumvent the law. The Pentagon undermined the \$24 million spending cap by providing, at little or no cost, supposedly surplus weapons to the guerrillas. The CIA prepared a booklet on ways to assassinate Sandinista **(p.152)** officials and also coordinated attacks on Nicaraguan ports and transport facilities. These acts violated the Boland Amendment as well as the promises William Casey had made to members of Congress.

In April 1984, a story in the *Wall Street Journal* revealed that CIA personnel had mined Nicaraguan harbors, violating Casey's assurance to the Senate Select Committee on Intelligence that the agency would avoid direct military involvement. This infuriated the committee chair, venerable and conservative Barry Goldwater, who noted that the CIA's actions violated international law. In an angry letter to Casey, the Arizona Republican wrote that the issue “gets down to one, little, simple phrase: I am pissed off.” In response, Casey and the president both promised the Senate Intelligence

Committee that they would keep it informed about all future covert actions of an important nature. As it turned out, the administration did no such thing.

Shortly after appointing Alan Fiers to head the CIA's Central American task force, Casey told him the Soviet Union was “tremendously overextended and vulnerable.” If America challenged the Soviets everywhere and defeated them in even one place “that will shatter the mythology ... and it will all start to unravel.” “Nick-a-wog-wah,” as Casey pronounced it, “is that place.” Fiers and CIA associate Duane R. Clarridge worked tirelessly to train and support the *contras*.

In October 1984, when the initial funds allocated for the *contras* ran out, Congress moved to forbid further direct or indirect assistance by passing a stricter version of the Boland Amendment. “Boland II,” as it was known, barred the CIA or “any other agency or entity involved in intelligence activities” from aiding the guerrillas. Congressman Boland called the prohibition “air tight with no exceptions.” Speaker Tip O’Neill proclaimed that the *contras* were “dead.”

The obituary proved premature. National Security Adviser Robert McFarlane and his chief deputy, Admiral John Poindexter, understood that the president “wanted to be sure that the *contras* were supported.” They placed Oliver North in charge of plans to “hold them together,” as North put it, “in body and soul.” After conferring with Casey, McFarlane, and Poindexter, North devised **(p.153)** a scheme to “privatize” *contra* aid by raising funds from foreign governments and private citizens. He opened a numbered Swiss bank account for the rebels and induced several pro-American governments, including Israel, South Africa, Saudi Arabia, Brunei, South Korea, and Taiwan to make small contributions to the guerrilla force in return for American goodwill or surreptitious repayment in the guise of other projects. National Security Adviser McFarlane later testified he kept Reagan, Vice President Bush, Secretary of State George Shultz, and Defense Secretary Caspar Weinberger well informed. At a meeting of the National Security Council in June 1984, attended by the above-named officials, Shultz admonished Reagan that his order to circumvent Congress by soliciting foreign funds might constitute an “impeachable offense.” The president must have taken the warning seriously because the minutes of the

meeting recorded him as saying that if the story ever got out
“we'll all be hanging by our thumbs in front of the White
House.”

The Rise of Oliver North

Marine Lt. Col. Oliver North, a decorated veteran of the Vietnam War, acted as the key intermediary in the secret projects linking arms sales to Iran and support for the *contras*. He joined the NSC early in the Reagan administration on the recommendation of his friend, National Security Adviser and fellow Marine, Robert McFarlane. Although North's nearly manic devotion to duty impressed many superiors, Michael Deaver worried about his influence on the president and he added the name of the NSC staffer to those who should be kept “out of Reagan's office because he was dangerous.” Speechwriter Peggy Noonan described North as a true believer who “had the sunny, undimmed confidence of a man who lacks insight into his own weaknesses.”

After he left office, Ronald Reagan claimed he “knew Oliver North only slightly” and never met privately with him until “his last day at the NSC.” Despite overwhelming evidence that the colonel carried out the president's plans, Reagan later sought to distance himself from North by insisting “I hardly knew him.” The president may not have held intimate working meetings with North (and the colonel did tend to embellish his familiarity with Reagan **(p.154)** and other luminaries), but the over 50,000 pages of depositions taken after the scandal broke made it clear that McFarlane, Poindexter, and North all took their orders from the Oval Office. The president may not have known or cared about details of the NSC operations, but he issued the marching orders. As North later put it, “the president didn't always know what he knew.” When Reagan asked for ways to get around the Boland Amendment, for example, North persuaded him that the prohibition only barred the CIA, not the White House or NSC staff, from helping the *contras*.

While North and others on the NSC staff went forward soliciting funds from foreign governments and private donors, the president again asked Congress to appropriate \$14 million in “humanitarian aid” for the guerrillas. Congress spurned the request in a vote in April 1985. Right after this vote, however, the Sandinista leader, Daniel Ortega, flew to Moscow to express solidarity with the Soviets. His visit embarrassed and angered enough members of Congress so that in June they reversed themselves and approved \$24 million in non-lethal

contra aid. Still, North complained angrily, “You can't win a war with blankets and band-aids.”

Oliver North and William Casey—despite the admitted prohibition on CIA involvement—worked to expand the private network of those helping the anti-communist guerrillas. Casey urged expanding the operation to create what North later dubbed “the Enterprise,” a covert force “you could pull off the shelf and use at a moment's notice” without congressional funding or oversight. North hired retired Air Force General Richard Secord and an Iranian-American arms dealer, Albert Hakim, to buy weapons with private funds deposited in Swiss banks.

Although denied at the time and for several years after the revelation of the secret supply network, a number of high level CIA officials, besides Director Casey, cooperated with Colonel North. From 1984 through 1986, Alan D. Fiers, head of the agency's Central American task force, and Claire George, the number-three man in the intelligence hierarchy who, as Deputy Director of Operations supervised clandestine operations, met with North and retired General Richard Secord to coordinate secret arms shipments. Some of these meetings took place in the White House, suggesting the close connection of the president to what transpired. In addition, **(p.155)** the Assistant Secretary of State for Latin America, Elliott Abrams, worked closely with North to support the *contras*.

In addition to the contributions from friendly foreign governments, North cultivated donations from wealthy Americans. He utilized the talents of Republican Party fund raiser, Carl “Spitz” Channel, a gay conservative whose cadre of handsome young men were assigned to “romance” rich widows, whom he and North mockingly called the “blue haired ladies,” on behalf of the *contras*. The donations were falsely called tax deductible.

Typically, North narrated a slide show before an individual or small group. The potential donors saw pictures of *contras* in heroic poses and of military hardware such as helicopters, rifles, and mortars with pricetags. The colonel then left the room to avoid technical complicity in illegal fund raising or violation of the neutrality act. Channel then requested donations. As a special reward, North offered major donors

short audiences with Ronald Reagan who later met several of the benefactors. “Project Democracy,” the code name for this part of the operation, raised several million dollars during 1985. Three of its biggest contributors included Joseph Coors, Nelson Bunker Hunt, and Ellen Clayton Garwood. Appreciative *contras* painted a Coors beer logo on the tail of one of their aircraft.

The Iranian Connection

The *contra* aid program merged with Middle East policy partly by design, partly by accident. On June 14, 1985, Lebanese Shi’ite terrorists hijacked a TWA flight in Athens and flew it to Beirut. The hijackers executed a navy enlisted man travelling as a passenger, then threatened to kill 39 other Americans on board unless Israel released 700 Lebanese prisoners it held. Reagan denounced this extortion, promising never to bargain with terrorists. Privately, however, he urged the Israelis to comply. They reluctantly did so, followed by the release of the Americans.

Despite the president's tough public stand against terror, his administration actually wavered a great deal in its handling of the problem. During his first week in office, the new president proclaimed “let terrorists be aware that ... our policy will be one of **(p.156)** swift and effective retribution.” Secretary of State Alexander Haig equated terrorism with the Soviet threat as one of the two main dangers facing America. Shortly after sanctioning the TWA deal, Reagan told an assembly of the American Bar Association that “America will never make concessions to terrorists.” He called Iran and Libya “outlaw states ... run by the strangest collection of misfits, Looney Tunes, and squalid criminals since the advent of the Third Reich.”

In practice, the Reagan administration often bent the rules. For example, in the mid-1980s, the Justice Department had a chance to seize in Greece Mohammed Rashid, a terrorist working for Iraq, believed responsible for many bombings of American, European, and Israeli targets. But by 1985–86 the United States was supplying high technology equipment to Iraq and assisting it in its war with Iran. The National Security Council, and particularly Lt. Colonel Oliver North, blocked the Justice Department so that nothing interfered with the new “special relationship” with Iraq.

By the same token, American officials sometimes defended or even abetted terrorist acts by groups Washington supported. For example, the CIA trained and equipped *contra* guerrillas in Nicaragua to attack economic targets and civilians linked even indirectly to the Sandinistas. In Beirut, William Casey probably authorized payment in March 1985 to Sunni Muslims who planned to blow up a Shi'ite cleric. The targeted sheik survived, although eighty Lebanese civilians were killed by the car bomb intended for him.

Also, as Reagan's friends knew, the plight of the seven American hostages held in Lebanon, and their families' grief, moved him deeply. The president tended to confuse human interest with the national interest, substituting the immediate emotional rewards of freeing hostages for the long-term strategy of removing the causes— and rewards—of terrorism.

Reagan felt terrible anguish when the families of the seven Americans held hostage in Lebanon pleaded with him to negotiate their release. The circumstance differed greatly from the problem confronting Jimmy Carter. With the exception of hostage William Buckley, a CIA agent, all those captive in Beirut were private citizens who had ignored State Department advice to stay out of Lebanon. Still, Reagan wanted everything possible done to win their freedom.

(p.157) In July 1985 David Kimche, an Israeli official, introduced Iranian businessman Manucher Ghorbanifar to National Security Adviser Robert McFarlane. Ghorbanifar claimed to represent Iranian “moderates” who favored closer ties to the United States and the release of the Americans held in Beirut by pro-Iranian Lebanese. Ghorbanifar asked that Reagan show his “good faith” by selling anti-tank missiles to his Iranian friends. They would use these weapons in the war against Iraq, lobby to free the American hostages, and, upon Ayatollah Khomeini's “imminent” death (an event that occurred four years later) move to improve ties with Washington.

Israeli involvement in facilitating contacts between the Reagan administration and the so-called Iranian moderates provides another, if indirect, clue about possible earlier Reagan involvement with Iran. As far back as the fall of 1980, during the presidential campaign, Israel had sold to Iran American-licensed military equipment. Admiral Stansfield Turner,

President Carter's CIA director, later suggested this might have been part of the effort by Reagan's campaign aides to induce the Iranians not to release the hostages before the November election. Following Reagan's election and inauguration, Israel, with U.S. knowledge, increased its weapons shipments to Iran, despite the public effort of the American government to embargo arms sales during 1981 and 1982.

Despite all the uncertainties, the idea appealed to National Security Adviser Robert McFarlane. For some time he had urged the president to improve relations with Iran as a way of limiting Soviet influence, containing Iraq, and expanding the U.S. role in the Persian Gulf. Even though most State and Defense Department experts disparaged this idea and saw few signs that any moderates could be found in Iran, McFarlane envisioned himself playing the same role as Henry Kissinger when he had opened ties to China under Nixon. The National Security Adviser broached the idea to Reagan on July 13, 1985, as the president entered the hospital for removal of a cancerous growth. Reagan encouraged the plan (“Gee, that sounds pretty good,” McFarlane remembered him as saying), stressing the point in his presidential diary that contacts with Iran might help get “our seven kidnap victims back.” He said nothing about building a new “strategic relationship” with Iran.

Pursuing the initiative depended on getting the Israelis to act as middlemen (technically, they would sell the weapons and the Pentagon **(p.158)** would replenish their stockpile, thus skirting the legal prohibition against U.S. weapons sales to Iran) and on judging the reliability of the Iranian contact. The Israelis insisted that Reagan personally authorize arms sales before they acted. As for Ghorbanifar, those who knew him well realized that he maintained links with many factions in the Middle East. Despite a CIA report that dismissed him as a “fabricator and nuisance,” McFarlane judged him reliable.

On August 6, McFarlane briefed Reagan, Vice President Bush, Secretary of State Shultz, and Secretary of Defense Weinberger on his proposal to sell Iran, via Israel, 100 TOW anti-tank missiles in order to secure the release of four hostages. Shultz and Weinberger criticized this as a “very bad

idea.” Bush remained silent. Reagan asked few questions and pondered the request for a few days before deciding.

He then telephoned McFarlane and gave his verbal approval. (In January 1987, Reagan admitted this sequence of events to investigators, then, when aides told him it made him culpable, he changed his testimony to say he could not remember if he had authorized McFarlane's action in advance.) On August 20, on American instructions, the Israelis shipped about 100 TOWs to Iran. To override the restriction on selling weapons to Iran the president would have had to sign a formal waiver and notify Congress. Reagan refused to do either. Instead, he ordered replacement missiles shipped to Israel.

The deliveries went smoothly but no hostages were freed. Instead, Ghorbanifar reported that the Iranians wanted 400 more missiles in exchange for one hostage. McFarlane, who now brought in Oliver North to help him, demanded the release of the CIA's William Buckley who, in fact, had already been killed by his captors. On September 14, an Israeli plane delivered about 400 TOWs to Iran and on the next day Reverend Benjamin Weir was set free in Beirut. North wrote the welcome home statement for the president. North shielded his operation by allowing Church of England envoy Terry Waite to take public credit for arranging hostage releases in 1985–86. Waite, who was himself kidnapped in Beirut in January 1987 and held for almost five years, seems to have known nothing about the arms sales. NSC staff member Howard Teicher called him an innocent “cover.”

(p.159) In November 1985, Ghorbanifar offered to broker the release of more hostages in return for 100 HAWK anti-aircraft missiles. McFarlane called this a straight “arms for hostages deal,” and North wrote a memorandum saying “120 Hawks = five American citizens and guarantees that no more will be taken.” Around this time, a few HAWKS were delivered to Iran from Israeli stocks, but they were obsolete models rejected by the Iranians.

By the beginning of December, McFarlane felt “burned out” and resigned his post. Reagan appointed his deputy, Admiral John Poindexter to replace him as National Security Adviser. Poindexter, a reclusive individual ill at ease with White House intrigue, relied even more heavily on Oliver North than had McFarlane. North proposed expanding arms sales to Iran by

selling several thousand anti-tank and anti-aircraft missiles. The weapons would be delivered in stages, calibrated to release of the Beirut hostages. Unless sales were continued, North warned, vengeful Lebanese might kill the captive Americans.

Before proceeding, Poindexter had the president sign a retroactive “finding” early in December justifying the previous arms sales. The document, kept secret and later destroyed by Poindexter, described the weapons transfer as an arms for hostage deal. Again, little was said about forging a relationship with Iranian moderates.

Outside the president and the NSC staff, the operation had few advocates. Angered by the release of a single hostage, Secretary of State Shultz cautioned Reagan about falling victim to the extortion of “Iranian rug merchants.” Defense Secretary Weinberger and even Chief of Staff Donald Regan, originally a supporter of the scheme, urged the president to “cut his losses.” But Reagan remained adamant that the operation continue. This determination, despite the grave political risks and lack of results, former CIA director Turner speculates, might have resulted from Reagan's fear that if he broke off contact Iran would reveal his involvement in earlier arms deals, stretching back to the 1980 campaign.

North's “Neat Idea”

Because the price charged Iran for the missiles and spare parts exceeded their replacement cost, the initial sale, via Israel, had produced **(p.160)** a profit of a few hundred thousand dollars. Oliver North spent it on behalf of the *contras*. He joked that the Ayatollah had made a “*contra* bution.” This, the colonel later explained, inspired him to “use the Ayatollah Khomeini's money to support the Nicaraguan freedom fighters.” He described it as a “neat idea.” North believed it legal to use arms sale profits to aid the *contras* since the Boland Amendment only barred spending money actually appropriated by Congress.

The colonel had a poor knowledge of the law. His plan relied on selling government property (missiles) at a profit. Federal statutes required that such profits be returned to the Treasury and also barred the executive branch from spending any funds that Congress had not appropriated. President Reagan later

insisted he had “never heard a whisper about funds being channeled from the Iranian arms shipments to the *contras*” and “would not have approved it if anyone suggested it to me.”

In January 1987, a few months after the scandal broke, the president acknowledged that an illegal deal might have occurred without his knowledge. But by the time he left office two years later, Reagan claimed that “no hard proof” existed of any diversion of funds whatsoever. This remarkable assertion *contra* dicted the president's own investigation (the Tower Commission, discussed below), sworn testimony before Congress, and even the confessions of the principal culprits—Robert McFarlane, John Poindexter, and Oliver North. At his criminal trial in 1990, Admiral Poindexter testified that Reagan not only knew about but encouraged the diversion, an assertion that the president consistently denied. North, too, later claimed that President Reagan knew of and approved of the sale of arms to Iran and the diversion of profits to the *contras*.

In February 1986 North arranged the sale to Iran of 1,000 TOW missiles. This netted a profit of between \$6 and \$10 million for Secord to use for purchasing weapons for the *contras*. But, again, the deal yielded no liberated hostages. After eight months of contacts and several arms shipments from both American and Israeli stockpiles, the NSC operation had freed one American.

In the spring of 1986, the Iranians demanded more weapons and better intelligence data on Iraq before making more deals. By this time North's concern for the hostages had to compete with his **(p.161)** need to continue the arms sales in any case to earn profits for the Nicaraguan guerrillas. Robert McFarlane (now retired from the NSC but still involved in the operation) still believed the contacts would yield strategic benefits as well as freedom for the Beirut captives.

During May the two men proposed a daring venture to free all the remaining captives with one large, overpriced, arms shipment. After securing the president's blessing on May 25, 1986 (this, just a month after Reagan had ordered the Air Force to bomb Libya in retaliation for Col. Qaddafi's sponsorship of terrorism), McFarlane and North using pseudonyms, flew to the Iranian capital carrying a small load

of missile parts, a gift-wrapped brace of .357 pistols, a Bible, a birthday cake decorated with a brass key for Ghorbanifar's mother, and suicide pills—for use should they be taken captive.

McFarlane offered to dispatch a plane loaded with weapons to Teheran in return for the freedom of all the Americans held in Beirut. The Iranians stalled, insisting the arms come first. They also demanded that Washington arrange the release of several Shi'ite terrorists, known as the Dawa prisoners, jailed in Kuwait for murder. Anxious to keep the profitable arms deal in play, North urged McFarlane to consider these terms. McFarlane, however, broke off negotiations and after four days the delegation left Iran empty-handed.

The next month, on June 25, 1986, Congress bowed to administration pressure and voted to resume aid to the *contras*. This would provide the CIA and NSC with legal funds for use against the Sandinistas. However, Congress stipulated the money would not become available until October, creating a four-month cash flow bottleneck. North set to work on another arms deal, hoping to raise money and secure the release of a hostage in time for the July 4 extravaganza the president would host at the re-opening of the Statue of Liberty. The NSC staffer imagined the sensation that would ensue if, on live TV, Reagan welcomed back a hostage at the Statue. Ghorbanifar shared this sense of theater, informing his Iranian contacts “we would exploit it and benefit from it a great deal; we could get the Americans to accept many of our demands.” But the release failed to come off in time. Later that month, however, the Iranians rekindled American interest by securing the freedom of **(p.162)** hostage Father Lawrence Jenco. North then got Poindexter and Reagan to approve an August shipment of HAWK-missile components to Iran.

By then the Iranians had learned that the Americans were overcharging them for the missiles. Meanwhile, North finally realized that Ghorbanifar was playing both sides of the street. Incredibly, instead of abandoning the operation, and totally ignoring the fact that additional Americans had just been kidnapped in Beirut, North received approval from President Reagan and John Poindexter to initiate a new contact with Iran, via a young man named Ali Hashemi Bahremani, nephew of Ali Akbar Hashemi Rafsanjani, the speaker of the Iranian parliament. North met with Bahremani both in Washington and Frankfurt, Germany, during September and October 1986,

even escorting the Iranian on a midnight tour of the White House. He gave Bahremani a Bible inscribed by the president, and promised new arms sales and help freeing the Dawa terrorists jailed in Kuwait if some (not all) of the Americans held in Beirut were freed before the November 4 congressional election. At one meeting, North claimed he had already cleared the way by meeting with the “Kuwaiti foreign minister secretly, in my spare time between blowing up Nicaragua.”

On American instructions, Israel shipped 500 TOW anti-tank missiles to Iran at the end of October. North informed the White House they should prepare to announce a hostage release “before CNN knows it has happened.” Hostage David Jacobsen was set free in Beirut on November 2, although the event failed to attract the attention North expected and did little to sway voters who restored a Democratic majority to the Senate. In fact, instead of “scooping CNN,” the Reagan administration faced a grave crisis.

The Scandal Surfaces

The “neat idea” began to unravel on October 5, 1986, just two weeks before legal aid to the *contras* could resume, when Sandinista gunners shot down a cargo plane ferrying weapons purchased by General Secord for delivery to the guerrillas. One crew member, Eugene Hasenfus, survived the crash and confessed to his Sandinista interrogators that he was part of a secret American government-aid program. Although he knew only a few details, **(p.163)** Hasenfus provided enough information eventually to reveal critical parts of the arms supply network.

During a dramatic press conference in Managua on October 9, 1986, a bruised and bandaged Hasenfus described his final mission. He had already flown ten military supply flights on behalf of the *contras*, he explained, all under the direction of CIA employees. He named Max Gomez, the code name of CIA official Felix Rodriguez, as his chief contact. These revelations led top agency officials such as Claire George and Alan Fiers to concoct false testimony denying all Hasenfus's assertions, when Central American task force director Fiers appeared shortly afterward before the Senate Intelligence Committee. Speaking after the shootdown, William Casey told North what

he must do with the *contra*-aid program: “shut it down and clean it up” and be prepared to take the blame.

On November 3, a day before Americans went to the polls, *Al Shiraa*, an obscure Lebanese magazine, printed a slightly garbled account of the arms for hostages deal. Within hours, top Iranian officials confirmed the story, adding that the so-called moderates were actually loyal agents of the Ayatollah Khomeini bilking the western infidels. As Americans voted on November 4, the media made only passing reference to the explosive revelations coming from the Middle East. But the story became a sensation hours after the polls closed.

Even as American journalists began uncovering the tangled threads of the arms for hostage deals, administration officials denied most knowledge of it. On November 8, Oliver North even met again with an Iranian representative to discuss another trade. However, Iran made it clear that no more Americans would be set free until the Shi’ite terrorists in Kuwait were released. The president, North, and Poindexter still believed they could contain or even profit from the scandal by selectively releasing information. “We have a damn good story to tell when we are ready,” Poindexter assured his colleagues. He encouraged Reagan to say nothing, predicting the fuss would soon blow over.

As part of a cover-up, North, Poindexter, CIA director Casey, and other top intelligence officials released misleading information and false chronologies to Congress and the press between November 10 and November 21. Among other deceptions, they tried to **(p.164)** put the blame on Secretary of State Shultz, who had opposed the scheme, claimed they had only authorized the sale to Iran of “oil drilling equipment,” and suggested Israel had masterminded the whole operation.

President Reagan spoke publicly on the subject on November 13, comparing the initiative to Nixon's historic opening to China in 1971. He blamed the media for hyping the story and insisted his administration had done nothing more than transfer “small amounts of defensive weapons and spare parts” to Iran. Reagan repeated the cover story that he did so to bolster the power of moderate elements, speed an end to the Iran-Iraq war, and encourage the release of hostages in Beirut, “We did not—repeat did not—trade weapons or

anything else for hostages nor will we.” None of these assertions was accurate.

Meanwhile, the president asked Attorney General Edwin Meese to conduct an inquiry into the affair. Meese moved slowly, took no notes of what anyone told him, and made so little effort to safeguard evidence that North and his staff had several days to destroy incriminating materials. Poindexter, North and NSC secretary Fawn Hall held what they later called a “shredding party” to destroy some 5,000 pages of documents. When the shredding machine jammed, Hall smuggled sensitive papers out of the NSC office in her boots and underwear. Some of this activity continued even while Meese's staff was present in the NSC offices. Unhappily for the conspirators, enough material survived on back-up tapes on the NSC master computer to raise grave concerns about the competence and truthfulness of the Reagan administration.

On November 22, the Attorney General learned that a member of his staff found a portion of a document dated April 4, 1986, in North's files that explicitly linked the arms sales to the diversion of between \$10 million and \$20 million to the *contras*. The next day Meese asked North to explain the meaning of this and then incredibly allowed him continued access to NSC files—and the paper shredder—for several more hours before sealing them. The Attorney General informed the president of the discovery on November 24 and the next day they made it public.

Up to the time on November 25 when Meese and Reagan held a news conference revealing evidence of the diversion, some of the president's aides still believed they could contain the damage if the **(p.165)** Israeli government agreed to take the blame for initiating the arms sales. But when Israel publicly refused to take the rap, Reagan decided to purge the NSC staff. On November 25 he announced Poindexter's “resignation” and North's firing. A few hours before he had telephoned Oliver North, called him a “national hero” whose “work will make a great movie someday,” then explained he was being fired. If, as the president claimed, he was in the dark about the whole affair, it seems curious that at no time did he bother to ask either man what they had or had not done in his name.

As the Iran-Contra scandal unfolded during the last weeks of 1986, the president stuck to his claim that he knew nothing about any arms for hostage deal or diversion of profits to fund the *contras*. Pollsters found that only about one American in seven believed him. By December 2, Reagan's overall approval rating plummeted from 67% to 46%, the sharpest one-month drop in a president's public opinion rating ever recorded by the Gallup Organization.

Iran-Contra Hearings

Shortly after Attorney General Meese revealed that the NSC staff had sold arms to the Ayatollah and diverted profits to the *contras*, the president named a special review panel chaired by former Texas Senator John Tower and including former Secretary of State Edmund Muskie and former National Security Adviser Brent Scowcroft. The so-called Tower Commission was one of three official bodies investigating what became known as the Iran-Contra affair. A joint congressional committee and a special prosecutor, Lawrence Walsh, also probed the events.

The Tower Commission took testimony and reviewed documents during January 1987. The president's presentations proved rambling and *contra* dictory. He avoided responding to some critical questions and answered others by citing irrelevant anecdotes. In the end, he claimed to be unable to remember whether or not he had authorized arms sales to Iran. The other principals either refused to testify or provided misleading information.

The report released by the Tower board on February 26, 1987, presented the first coherent account of the episode. As Reagan hoped, it exonerated him from charges of law breaking. The report (**p.166**) described Reagan as remote, disengaged, uninformed, and easily manipulated by aides. The president's action “ran directly counter” to his promise to deal harshly with terrorism, thereby undermining the nation's prestige and reputation. Yet, the report stressed, nothing linked Reagan directly to illegal acts or the diversion of the profits. Rather, due to his lax “management style,” zealous subordinates probably “duped” him. This conclusion portrayed the president as a well-intentioned, laid-back fellow not always sure of the facts. At worst a fool, but not a knave.

The president effectively blunted even this rap on the knuckles by appearing on television on March 4 to accept contritely the findings of the Tower report—while denying any real responsibility. Reagan had neither read the report nor played much of a role in drafting his apology. Still, he told the viewing public that even if the facts suggested he agreed to pay ransom to kidnappers, in his “heart” he never meant to trade arms for hostages. A day after the president's speech, his approval rating shot up ten points. He deflected some more of the blame by firing Chief of Staff Donald Regan following the release of the Tower report. Although Regan had been only a bit player in the scandal, the president appeared to be cleaning house.

The joint Senate-House investigation, under the chairmanship of Senator Daniel Inouye, Democrat of Hawaii, and Representative Lee Hamilton, Democrat of Indiana, proved cumbersome and ineffective. Although scrupulously fair, Inouye and Hamilton imposed a number of awkward rules on the inquiry. In order to prevent the case from dragging on into the 1988 presidential race, they set an arbitrary termination date of October 1987 for the hearings. The committee decided against calling either Reagan or Vice President Bush to testify. To assure the timely testimony of Oliver North and some other participants, the committee agreed to grant them immunity from criminal prosecution for anything they said at the hearings. This eventually made it nearly impossible to prosecute North in court for his activities.

The lawyers for the joint committee focused on the money trail, trying to discover how the profits of the arms sales were diverted to the *contras*, who authorized the policy, and who profited from it. Despite promises of cooperation, the Reagan administration actually **(p.167)** blocked the release of many vital documents. The CIA either refused to permit its key operatives to testify about their role in the affair or ordered them to falsify testimony and deny any knowledge of either the arms sales to Iran or diversion of funds to supply the *contras*. As a result, it became impossible to reach definitive conclusions within the allotted time limit.

Much of the testimony during the summer of 1987 focused on the activities of Oliver North, whom one participant described as “the world's most powerful lieutenant colonel.” The telegenic North dominated the hearings through his vigorous

defense of his own actions and his president. He chided Congress for ignoring the Sandinista threat and declared that he and Reagan had a moral responsibility to protect national security in spite of prohibitions imposed by Congress or the law.

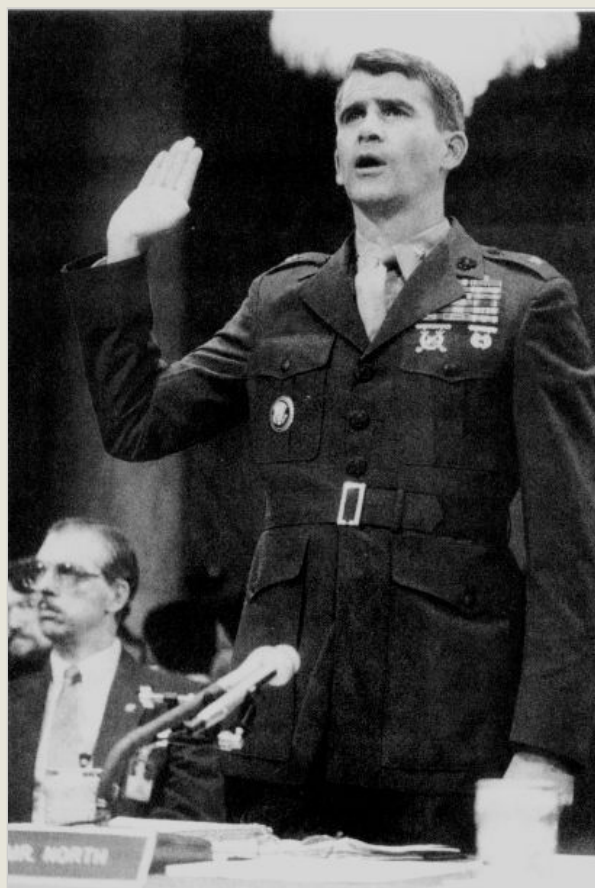
On camera, North preened and boasted, swelled up his breast to fill his medal-bedecked uniform. He described himself as totally loyal to his superiors, prepared “to take a spear in the chest” to protect them. In reality, North's testimony proved both self-serving and damaging to Reagan. He suggested that all his superiors, including the president, knew about and sanctioned his illegal activities. (North stressed this point in his memoirs, published in 1991, declaring “President Reagan knew everything.”)

The impression television viewers came away with, however, was of a brassy, brave, and selfless patriot. He might have cut some corners, but always out of duty. Newspapers spoke of “Ollie-mania,” a groundswell of support for the flamboyant officer. His flagwaving narrative obscured the legal and moral squalor of the operation—including the interesting fact that the North-Secord-Hakim arms supply network siphoned off for their own use a major part of the money supposed to go to the *contras*. The guerrillas may have received as little as 20 cents on the dollar from the various sources tapped by North.

Former National Security Adviser Admiral John Poindexter protected the president more directly by denying that Reagan knew of or authorized the diversion of funds. He insisted that “the buck stops with me.” CIA director William Casey, ill with a fatal brain tumor, never testified and took his secrets to the grave. Confronted by uncooperative and frequently dishonest witnesses, lack **(p.168)**

(p.169) of access to critical documents, and pressure to wrap up the inquiry quickly, Congress reached no real verdict. In March 1988 Special Prosecutor Lawrence Walsh indicted North, Poindexter, Channel, Secord, Hakim, and others involved in the scandal.¹ Eventually, all were convicted or pled guilty to

charges of perjury, misusing government funds, and other infractions. (A later federal appeals court ruling overturned the convictions of North and Poindexter on the grounds that immunized testimony before Congress made it nearly impossible for prosecutors, witnesses, and a jury not to have been influenced by that testimony. The special prosecutor had to drop all charges against North and Poindexter in late 1991.) At his trial in 1990, Admiral Poindexter repudiated his previous testimony before Congress and declared that the president knew all the details of the Iran-*Contra* operation and had ordered him to break the law and destroy documents. Reagan, in a videotaped interrogation during the Poindexter trial, appeared painfully confused and unable to remember most names, dates, or events concerned with the scandal. He denied any knowledge of his subordinates' misdeeds.



Lt. Colonel Oliver North testifies before Congress in 1987. *Courtesy AP/Wide World Photos.*

Ultimately, Congress, the Tower Commission, and the special prosecutor hardly laid a glove on Reagan. Members of the House and Senate hesitated to accept evidence linking him directly to illegal acts. They feared popular retribution if Congress were blamed for bringing down another chief executive, especially one who had only one more year to serve and retained an affectionate hold on most Americans. For its part, the public forgave Reagan's ignorance and mismanagement, so long as nothing surfaced that linked him directly to law breaking.

Members of Congress also misjudged the public's ire about Iran-Contra. The diversion of funds to the *contras*, which became the centerpiece of the investigation, did not particularly disturb most **(p.170)** Americans. People felt far more strongly about dealing with the hated Ayatollah Khomeini and the hypocrisy of denouncing terrorism while negotiating with kidnappers, but the hearings did not concentrate on this aspect of law breaking. Nor did the investigation highlight the larger pattern of misconduct in administration foreign policy.

Summit Politics

Something extraneous to the affair also salvaged Reagan's presidency. By the summer of 1987, rapidly improving relations with the Soviet Union distracted attention from the shabby Iran-Contra episode. The Democrats, who now controlled Congress, favored a relaxation of Cold War tensions. With Reagan willing to negotiate with the Soviets, they had a strong incentive to mute criticism of his other lapses.

Until 1985, Reagan had refused to meet with any Soviet leader. After that year, he spent more time with his Kremlin counterpart than any previous president. Reagan conferred with Mikhail Gorbachev in Geneva in November 1985, Reykjavik, Iceland, in October 1986, Washington in December 1987, Moscow in June 1988, and New York in December 1988. Their relationship evolved because of changes in both countries.

Mikhail Gorbachev became General Secretary of the Soviet Communist Party in March 1985, succeeding three consecutive invalids. Unusually young for a Soviet leader at age 54, he was also well educated, travelled, and undogmatic.

After taking power, he blamed his three predecessors for presiding over a twenty-year “period of stagnation.” Gorbachev acknowledged publicly that the Soviet Union had fallen far behind the economic and technological progress of most western and many Asian nations. Soviet industry produced insufficient and shoddy goods. The defense sector absorbed a prohibitive amount of capital and resources. The old methods of central planning and authoritarian control yielded diminishing returns.

Gorbachev proclaimed new policies of *perestroika* (social and economic restructuring) and *glasnost* (openness and democracy), reforms that by 1991 transformed the fundamental existence of the Soviet Union and communism. The Soviet leadership began permitting **(p.171)** freer elections and encouraged moves toward a market economy. Wrenching the U.S.S.R. out of its torpor, Gorbachev concluded, required cooperation with the capitalist community. He courted European leaders and insisted that he represented a new type of communism. Britain's conservative prime minister and close Reagan friend, Margaret Thatcher, described Gorbachev as “charming” and someone with whom the West could do business.

President Reagan resisted Gorbachev's blandishments longer than most western leaders. By most accounts, including her own, Nancy Reagan played an important role in arranging a summit conference. She believed that a relaxation of cold war tension would solidify her husband's accomplishments. In a “dangerous world,” she later remarked, it was “ridiculous for the two heavily armed superpowers to be sitting there and not talking to each other.” Mrs. Reagan found support for this view from her astrologer, Joan Quigley.

Quigley later revealed that before the president agreed to meet Gorbachev in Geneva, Nancy Reagan asked her to interpret Gorbachev's Zodiac. The astrologer informed the First Lady that Gorbachev's “Aquarian planet is in such harmony with Ronnie's ... they'll share a vision.” The president's “evil empire attitude” would “have to go.” In any event, Nancy Reagan explained, that while she and Quigley did “push Ronnie a little,” he “would never have met Gorbachev if he hadn't wanted to.”

Nevertheless, the first summit, at Geneva in November 1985, went only moderately well. The two leaders' wives certainly shared no vision and got into a spat. “Who does this dame think she is?,” Nancy complained when Raisa tried to dominate a photo session. The two leaders also sparred. Reagan criticized the Soviet Union for violating the SALT and ABM treaties, denounced its record on human rights, and repeated his determination to build SDI. Gorbachev disputed these assertions and charged that any Star Wars deployment would violate the anti-missile treaty.

The mood improved at a dinner when the subject turned toward film. The president expressed irritation at a remark by a Soviet official who described him as a star of “grade B movies.” They “weren't all B movies,” Reagan told Gorbachev. The Soviet leader replied that “the one I liked was the young man without legs.” He referred, of course, to Reagan's favorite film, *King's Row*. Both Raisa and Mikhail Gorbachev turned out to be movie buffs and, **(p.172)** one participant reported, sat “spellbound ... by every detail” the president told them about Hollywood. They were “very pleased,” Chief of Staff Donald Regan recalled, “to be in the company of somebody who had known Jimmy Stewart, John Wayne and Humphrey Bogart.”

Perhaps because of this rapport, Reagan confided to Gorbachev his belief that if Earth were invaded by hostile aliens, the two superpowers would surely cooperate. Although this assertion stunned the Soviet leader (Reagan frequently discussed alien visitations with his staff), the president's biographer, Lou Cannon, suggests this was merely Reagan's way of stating that the survival of humanity justified dealing with the “lesser evil” of the Soviet Union.

The Geneva summit improved “atmospherics” but did not end the rivalry of the two superpowers. Reagan and Gorbachev met a second time at Reykjavik, Iceland, in October 1986. For reasons that remain unclear, the president proposed this conference with little preparation. Some observers speculated he sought to achieve some sort of breakthrough on the eve of the November 4, 1986, mid-term election.

Early on, Gorbachev seized the initiative. He knew Reagan favored the elimination, not just limitation, of nuclear weapons. The Soviet leader proposed a mutual 50% cut in the

number of long-range ballistic missiles while pledging to work for their eventual elimination. In return, however, the anti-missile treaty must be strictly observed for ten more years, confining SDI research to the laboratory. The Soviets continued to fear Star Wars technology even though most American scientists doubted the missile shield would ever work. Only Reagan and the men in the Kremlin, some cynics quipped, took the plan seriously.

During a recess, George Shultz and Defense Department hardliner Richard Perle, urged Reagan to make a bold counteroffer. The president now proposed to eliminate *all* American (and possibly British and French, as well) ballistic missiles over a ten-year period. But at the end of the process, the United States would be free to deploy SDI as insurance against cheating, accidents, or threats from a third country. Perle, an opponent of arms control, probably expected Gorbachev to reject this since, if accepted, it would leave the Americans with a big advantage in strategic bombers and cruise missiles.

(p.173) But Gorbachev was not to be outdone. He now suggested eliminating all of the world's nuclear weapons, not just their delivery systems. This would neutralize the advantage Perle hoped for. Reagan must, however, agree not to deploy the yet-to-be built SDI. The president was intrigued by this idea until, in his words, Gorbachev “threw us a curve” by saying “all depends, of course, on your giving up SDI.” Reagan shouted that SDI was not a “bargaining chip” and ended the summit.

The president's advisers were relieved that no agreement had been reached. The American leader had no authority to eliminate British and French weapons. Since Reagan had long complained that Moscow enjoyed a substantial conventional military advantage, it seemed strange for him to offer to surrender the West's nuclear deterrent without a large carefully monitored reduction in Soviet conventional forces. National Security Adviser Poindexter told Reagan “we've got to clear up this business about you agreeing to get rid of all nuclear weapons.” Reagan replied, “But John, I did agree to that.” “No,” Poindexter argued, “you couldn't have.” The president persisted. “I was there, and I did.” Frustrated by Reagan's loose talk, Chief of Staff Donald Regan told a

reporter after the summit that “some of us are like a shovel brigade that follows a parade down Main Street cleaning up.”

Toward the End of the Cold War

It would have been difficult to predict that a major thaw in the Cold War would emerge from such discussions. Yet, during 1987, in the wake of the Iran-Contra scandal, President Reagan replaced several of his hardline, anti-Soviet advisers. Former Senator Howard Baker took over as chief of staff after Donald Regan's firing in February. The death of William Casey led to the appointment of FBI Director William Webster to head the CIA. Poindexter's firing cleared the way for Frank Carlucci to head the National Security Council. Caspar Weinberger's resignation a few months later resulted in Carlucci's promotion to Defense Secretary. Lt. Gen. Colin Powell succeeded Carlucci as National Security Adviser.

This new team, more moderate and less driven by reflexive anti-communism, proved far more receptive to the goals of arms control and detente with the Soviet Union. They found a strong ally (**p.174**) in Nancy Reagan. A fierce defender of her husband's image, she hoped a breakthrough with Gorbachev, not the squalid Iran-Contra mess, would become the president's foreign policy legacy.

In the autumn of 1987, Soviet and American negotiators agreed on a treaty to remove all intermediate-range nuclear-tipped missiles (INF) from Europe. Although these missiles formed only a tiny portion of the total nuclear arsenal, the pact represented the first time the two superpowers had agreed to destroy a whole category of weapons. Gorbachev surprised everyone by accepting a longstanding American demand for mutual on-site inspection to assure compliance.

The Soviets made most of the concessions, dropping their demand that an INF treaty be linked to limits on long-range missiles and SDI. Gorbachev had probably concluded that Star Wars would not be built in the foreseeable future. Reagan argued that his massive defense buildup and tough approach brought the Russians around. He also asserted he knew the pressure would work because in 1986 he learned the Soviets faced a major economic crisis.

Reagan surely oversimplified. The grave problems in the Soviet economy began long before 1986. What changed was Gorbachev's willingness to acknowledge this publicly and his decision to stop bleeding the civilian economy to support armaments. He recognized that modernization required Western and Japanese help. Gorbachev's sense of international relations also differed from his predecessors. Since Stalin's time, if not before, Soviet and Russian leaders measured security by the degree to which Moscow dominated or intimidated neighbors and rivals. Gorbachev sought to enhance Soviet security through cooperation with neighboring states and other world powers. As early as 1947, diplomat George Kennan predicted that a long-term policy of containment of Soviet power would eventually achieve just this result. It took forty years, but Kennan, as much as Reagan, deserves credit for the achievement. As many observers also noted, the president was on shaky ground when he boasted that the arms buildup had broken the Soviet economy since its effects in the United States were nearly as severe.

Mikhail Gorbachev visited Washington in December 1987 to sign the INF treaty. Undaunted by his guest's charm, the president **(p.175)**

quipped, “I don't resent his popularity. Good Lord, I co-starred with Errol Flynn once.” This jocular, apparently so easy and unforced, reaped immense popular appreciation for Reagan.

Gorbachev

showed a flair for generating attention by hosting a party for American luminaries such as Paul Newman, Yoko Ono, and Henry Kissinger. He charmed members of Congress. Pedestrians in Washington were thrilled when the Soviet leader jumped out of his limousine and grabbed their hands. “I



Reagan and Soviet President Mikhail Gorbachev sign the INF Treaty. *Courtesy U.S. National Archives.*

just want to say hello to you,” he gushed. The only criticism came from a small core of Reagan's most conservative backers. Angered at his sudden friendliness with Moscow, one called the president a “useful idiot” of the communist conspiracy.

Aside from the INF treaty, the two Cold War rivals reached few substantive agreements during the remainder of Reagan's term. Both leaders, however, got a boost in their ratings from improved relations and agreed to meet in Moscow in June 1988. In a sense, the thaw in the Cold War insulated Reagan and Gorbachev from a host of domestic problems.

(p.176) The Mere Fact of Reagan's Appearance In Moscow Significantly Blunted the Edges of the Cold War. Asked If He Still Considered the Soviets the “focus of Evil In the Modern World,” He Answered, “they've Changed.” the President Actually Embraced Gorbachev at Lenin's Tomb. During the Moscow Meeting, George Shultz was Impressed that Gorbachev Seemed Determined To Match Reagan “joke for Joke.” Ever Attuned To Symbolism, the President Reported that He “knew the World was Changing” When He Stood at Attention Beside the Soviet Leader at the Bolshoi Ballet and A Soviet Orchestra Played “the Star-spangled Banner.” Although the Two Superpowers Still Had More Than 30,000 Nuclear Weapons Aimed at Each Other, In the New Spirit of the Time, Few People Worried.

During 1988, the Soviets Withdrew Their Troops From Afghanistan and Supported Efforts To End Civil Conflicts In Ethiopia, Angola, and Southeast Asia. the Dormant United Nations Re-emerged As A Key Forum for Mediating These Disputes. Reagan Met Gorbachev Again, In December In New York, Where the Soviet Leader Announced Plans To Reduce Conventional Forces. Increasingly Attuned To Public Relations, Gorbachev Invited Reagan and President-elect George Bush To Pose for Pictures With Him In Front of the Statue of Liberty. As It Became Fashionable To Proclaim the End of the Cold War, Even the Wives of the Two Leaders Made Peace. The *New York Times* Headlined: “another Obstacle Falls: Nancy Reagan and Raisa Gorbachev Get Chummy.”

Conclusion

Against all odds, the most assertive anti-communist president since the Second World War achieved a foreign policy goal that had eluded his predecessors. Because of breakthroughs in arms control, new cooperation in settling Third World disputes, and an overall relaxation in tensions, the two superpowers charted a radically altered course. Inside the Soviet Union, the political and economic reforms initiated by Mikhail Gorbachev presaged the end of Soviet domination of Eastern Europe that began the year after Reagan left office. Probably nothing more graphically symbolized the waning of the Cold War and the bankruptcy of communism than the demolition of the Berlin Wall in 1989, something Reagan had called for **(p.177)**

(p.178) two years earlier. By the end of 1991, the Soviet Union, Reagan's “Evil Empire,” had ceased to exist as a nation. These dramatic events occurred during Reagan's presidency and naturally he and his supporters take credit for them. As early as June 1982, Reagan recalled, he had told the British parliament that the

Soviet Union faced a “revolutionary crisis.” The Communist giant ran against the tide of human history, he declared, and a “global campaign of freedom” would soon prevail. But, in a



Reagan speaking at Moscow State University, beneath bust of Lenin.
Courtesy U.S. National Archives.

sense, it was diplomat and Cold War architect George Kennan's prediction of 1947 that had finally come to pass: over the long run containment had forced the Soviet Union to change its ways.

Reagan's policy of “peace through strength” had less to do with the upheaval in the Soviet empire than he realized. The great arms buildup of his presidency added to overkill capacity but did not fundamentally alter the strategic balance. On the other hand, the legacy of immense budget deficits partly caused by the arms race weakened America's capacity to compete with the rising economic giants of Europe and Asia. In both Central America and the Middle East, the United States failed to create any degree of peace or stability. The Iran-Contra scandal showed the degree to which foreign affairs could go wrong under a president who cared little about detail or the law.

Nevertheless, Ronald Reagan demonstrated a capacity to respond to Soviet overtures creatively, whether or not he brought them about or fully comprehended them. He left to his successor, George Bush, the complex job of charting a path in the era of what was already being called the “new world order.”

Notes:

(1) In September 1991 Alan Fiers pled guilty to lying about his knowledge of CIA involvement in Iran-*Contra*. On the basis of his testimony, Special Counsel Walsh indicted Claire George, the CIA's former director of Clandestine Operations. In October Elliott Abrams, former Assistant Secretary of State, pled guilty to lying to Congress about his knowledge of illegal efforts to arm the *contras*. In November 1991 Walsh charged Duane R. Clarridge with lying to Congress when he denied knowledge of a 1985 arms shipment to Iran.

