

Report of the Congressional Committees Investigating the

Iran-Contra Affair

With
Supplemental, Minority, and Additional Views

Lee H. Hamilton, *Chairman,*
House Select Committee
Daniel K. Inouye, *Chairman,*
Senate Select Committee



U.S. House of Representatives
Select Committee to Investigate
Covert Arms Transactions with Iran

U.S. Senate Select Committee
On Secret Military Assistance to Iran
And the Nicaraguan Opposition

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objectives." Before the Committee would vote for more aid, it wanted a new Presidential Finding.³³

The House Permanent Select Committee on Intelligence, on the other hand, favorably reported a new bill, the "Boland-Zablocki" bill, to the full House for consideration.³⁴ The bill barred aid for the Nicaragua covert action program, but it also took the Administration at its word about the need to stop arms flows to El Salvador. The legislation provided \$80 million in assistance to Central American governments to stop the flow of arms to rebel groups, but no funds for "support of military or paramilitary activities in Nicaragua."³⁵ Despite strong Administration opposition, the House passed the bill on July 28, 1983, by a vote of 228-195.³⁶

With its implicit threat of an aid cutoff, the Boland-Zablocki measure challenged the Administration to articulate a plausible rationale for covert aid. The bill exposed the loose fit between the Administration's announced policy of stopping arms flows to El Salvador and its covert support of the Contras. If the Administration really wanted to stop arms flows to El Salvador, it could do so directly, said the Congress; but if its purpose was to aid the Contras in overthrowing the Nicaraguan Government, there would be no funding.³⁷

The Administration responded to the threat of an aid cutoff in three different ways. First, the Administration established a public relations office in the State Department attempting to muster the public and Congressional support necessary for the Contras. Second, anticipating that a cutoff might nevertheless occur, the Administration developed a secret plan to stockpile weapons for the Contras at the CIA. Finally, at the same time, to satisfy Congressional demands, the Administration agreed to draft a new Finding.

White Propaganda

In June of 1983, the Administration decided upon a new method of trying to win public support for the President's policy in Central America. On July 1, 1983, then National Security Adviser Clark announced that "the President had decided that the Administration must increase our efforts in the public diplomacy field to deepen the understanding of the support for our policies in Central America."³⁸

As a result, an office of Public Diplomacy for Latin American and the Caribbean (S/LPD) was established in the State Department, headed by Otto Reich,³⁹ who eventually was given the rank of Ambassador.⁴⁰ The S/LPD was an interagency office with personnel contributed by the Department of State, the Department of Defense (DOD), the Agency for International Development, and the U.S. Information Agency. Although created as part of the State Department, the office was established at the direction of the National Security Council.⁴¹ The S/LPD's activities were coordinated by an interagency

working group staffed by the NSC. The principal NSC staff officer was a former senior CIA official. With the knowledge and approval of Director Casey, he was detailed to the NSC staff for a year. He later became Special Assistant to the President with responsibility for public diplomacy matters.

The mission of the office—public diplomacy—was a "new, non-traditional activity for the United States government," according to the State Department. In fact, "public diplomacy" turned out to mean public relations-lobbying, all at taxpayers' expense. The office arranged speaking engagements, published pamphlets, and sent materials to editorial writers.⁴² In its campaign to persuade the public and Congress to support appropriations for the Contras, the office used Government employees and outside contractors—including Richard Miller and Francis Gomez who would later work with North to provide Contra assistance.⁴³

A Deputy Director of S/LPD, Jonathan Miller, reported the office's success in what he labeled a "White Propaganda Operation," which sought to place op-ed pieces in major papers by secret consultants to the office.⁴⁴ By Reich's own description, the office adopted "a very aggressive posture vis-a-vis a sometimes hostile press." It "briefed Members of Congress, reached out to audiences previously overlooked, found new ways of reaching traditional audiences, and generally did not give the critics of the policy any quarter in the debate."⁴⁵ It claimed that "[a]ttacking the President was no longer cost free."⁴⁶

Later, the Comptroller General would find that some of the office's efforts, in particular Jonathan Miller's "White Propaganda," were "prohibited, covert propaganda activities,"⁴⁷ "beyond the range of acceptable agency public information activities. . . ." ⁴⁸ In a September 30, 1987, letter, the Comptroller General concluded that S/LPD had violated "a restriction on the State Department's annual appropriations prohibiting the use of federal funds for publicity or propaganda purposes not authorized by Congress."⁴⁹

The CIA Tries to Stockpile

In the summer of 1983, while efforts were underway at the State Department to change public opinion, the CIA began secret preparations in the event Congress decided to cut off aid to the Contras. In that event, the Agency planned to obtain equipment free of charge from the DOD.

On July 12, the President directed that the DOD provide enhanced support for the CIA in its efforts to assist the Contras.⁵⁰ One day later, the CIA sent a "wish list" to the DOD, requesting that \$28 million in equipment be transferred to it, "free-of-charge."⁵¹ The list covered everything from medical supplies to aircraft, and included a request for personnel.⁵² The