

Iran-Contra scandal is far from over

by Herbert Quinde

The Irangate scandal has been left simmering on the back burner, as the White House continues its scramble to keep the Reagan administration's worst foreign policy fiasco from striking down the current one as well. But there are indications that some people are upping the ante.

Congressional sources report that the confirmation of Iran-Contra operative Donald Gregg as U.S. ambassador to South Korea has been held up in the Senate. Sen. Alan Cranston (D-Calif.), who has led the fight against Gregg, has been joined by Senators Albert Gore (D-Tenn.) and George Mitchell (D-Me.) in opposing Gregg. Many Democratic senators are angry at Gregg's brazen lying and arrogance at his confirmation hearing before the Senate Foreign Relations Committee back in May. With other senators joining what has been up until now a one-man crusade led by Cranston, the administration has decided not to formally push the issue for fear of turning others against Gregg.

But Senator Cranston, sources believe, is being given the "treatment" for his aggressive opposition. On July 19, the *Washington Post* ran a major story scandalizing the California senator. Cranston is accused of having raised \$850,000 for three "non-partisan" voter registration groups from a troubled savings and loan institution for whom Cranston allegedly had intervened with federal regulators. One of the groups was founded by Cranston's son Kim. The funds were solicited from Charles Keating, head of the Lincoln Savings and Loan of Irvine, California, while Keating was in a feud with federal regulators over Lincoln's financial condition. The senator reportedly received over \$300,000 in donations from Keating and associates. Although no laws seem to have been broken, Cranston has been smeared with the "sleaze factor."

With Gregg's confirmation temporarily in doubt, it is possible that there will not be a final vote on the nomination before the congressional summer recess begins in August.

Gregg, who was Vice President George Bush's national security adviser, has become a hot issue because he now heads the President's "bodyguard of lies." Gregg is the person who knows all the answers to what George Bush knew, said, and did during the Iran-Contra affair. A bipartisan deal

was struck in the Senate to accept Gregg's lying testimony to "avoid a constitutional crisis," according to one congressional source. But other political observers say that some leading Democrats believe it is better to have the blackmail threat of Irangate in their back pocket for future use.

Battle over North's notebooks

The opposition to Gregg became strengthened after Democrats from the Senate Foreign Relations Committee learned that the White House had reneged on its pledge to turn over Oliver North's notebooks to the Congress. At the end of the second of the two hearings on Gregg's nomination, Sen. John Kerry (D-Mass.) was promised the documents. So far, the White House has refused to turn the unexpurgated copies over to the Senate committee, which abrogates the deal that had been struck. Earlier, only blacked-out copies of the notebooks had been given to the joint Iran-Contra congressional committee. But a request for the entire text was renewed by the Senate during the Gregg nomination, when it became apparent that the notebooks might contain information on the Honduras *quid pro quo* involving Vice President George Bush.

According to sources close to the Senate, the notebooks are "explosive" and contain much new information which "compromises top-level people." The notebooks are presently in Independent Counsel Lawrence Walsh's hands, but the White House has refused to take possession even though Walsh has offered them. If the White House takes possession, it then would have to respond to the Senate's request.

In a related development, Jose Fernandez, the Costa Rican CIA station chief indicted in Alexandria, Virginia for lying to the Tower Commission, has already indicated that he will play hardball in his case. Sources report that his "gray-mail" strategy may work. Sources say that CIA director William Webster does not want the Fernandez case to go to trial, and therefore will protect the agency from "unnecessary disclosure of classified secrets." The same sources say that Attorney General Richard Thornburgh has also been recruited to "carry water for the boys." It is expected that the Department of Justice may intervene in the case, which could lead to a dismissal of the charges against Fernandez.

Fernandez's "shot across the bow" was the inclusion of the text of National Security Decision Directive 159 (NSDD 159) as an exhibit in one of his pre-trial defense motions. NSDD 159, dated January 1985, established the "Planning and Coordination Group" (PCG), an interagency operational "action group" which is known to have had "hands on" throughout the Iran-Contra affair. Fernandez is signaling that he is prepared to "tell all," since the document names the members of the PCG. Among the members of the PCG were: Clair George from the CIA, Fred Iklé of the Defense Department, Michael Armacost from the State Department, Donald Gregg of the vice president's office, and its chairman Adm. John Poindexter, himself awaiting trial in November.