

Reagan admits aspect of 'October Surprise'

by Herbert Quinde

In a devastating admission that may well have bearing on President George Bush's hopes for reelection, former President Ronald Reagan has confirmed a critical element of the mushrooming "October Surprise" scandal. For the first time ever, Reagan admitted on June 15 that, during his 1980 presidential campaign, while he was still a private citizen, he had been involved in efforts to free the American hostages held in Iran. The Logan Act makes it a criminal offense for a private citizen to conduct foreign policy.

In his own inimitable way, the former President has given credence to longstanding allegations that the 1980 Reagan-Bush campaign cut a cynical deal with the Ayatollah Khomeini. The deal entailed a delay in the release of the American hostages until after the 1980 elections—thereby denying President Jimmy Carter a last-minute "October Surprise," which could have helped his reelection. In exchange for their cooperation, the Iranians were promised a steady flow of much-needed weapons to fight Iraq, once Reagan took over at the White House.

Reagan speaks

Speaking to reporters while playing golf in California with President Bush, Reagan dismissed as "absolute fiction" the charge that the 1980 Republican ticket had worked to delay the hostages' release. But he went on to say, "I did some things to try the other way"—that is, to get them released prior to the election. He added, "From the very beginning that they were ever held there, every effort on my part was to get them home." When asked if that supposed effort entailed contacts with the Iranian government, Reagan stated, "Not by me," but said he could not "get into details." Asked if his campaign officials made such contacts, Reagan said, "Some of these things are still classified." Thereupon, aides hustled the former President away from reporters.

Standing at Reagan's side, Bush was less than pleased. He evaded the question (except to say that he welcomed an investigation to clear up the issue), but warned against a "billion-dollar witchhunt." Bush has claimed that there was no contact whatever between the Reagan-Bush campaign and the Iranian government.

Reagan's statement is reverberating in the world press. The *Financial Times* of London headlined its story, "Reagan Renews Iran Hostage Controversy." The *Times* reported June 17 that Reagan's "comments, which appeared designed to kill a story, may have opened fresh lines of inquiry for congressional

investigators. They also raise questions about whether the Reagan campaign's contacts may have undermined Mr. Carter's efforts to persuade Iran to release the hostages."

The congressional inquiry

The October Surprise allegations may become the subject of a formal investigation by the U.S. Congress before its July 4 recess, according to Rep. Butler Derrick (D-S.C.). Speaking at a June 13 press conference sponsored by the liberal Fund for New Priorities in America, Derrick said 75 members of Congress last month asked the Speaker of the House to conduct a preliminary investigation to determine if a formal probe were warranted.

After the press conference, the Fund conducted a "Congressional Conference" at the Dirksen Senate Office Building, hosted by Senators Paul Wellstone (D-Minn.), Alan Cranston (D-Calif.), Brock Adams (D-Wash.), and Tom Harkin (D-Iowa). The conference was addressed by journalists and researchers who have investigated the story, including former Carter National Security Council staffer Gary Sick. He recently called for a congressional inquiry, in a *New York Times* commentary which outlined compelling evidence that the Reagan-Bush campaign had indeed done a dirty deal with the Iranian mullahs.

Asked by *EIR* about the FBI wiretap tapes of Cyrus Hashemi's phone conversations, which are reputed to be a "smoking gun," Sick described the tapes as covering the period from October 1980 to January 1981, and commented that their release would do much to help confirm details of the scandal. Cyrus Hashemi, a U.S.-based Iranian banker who died mysteriously just before the Iran-Contra scandal grabbed the headlines in July 1986, was one of the Reagan-Bush ticket's go-betweens with the mullahs.

The existence of Hashemi tapes covering the critical October-January period has been known, but no one has ever heard them. *EIR* was denied access to them in 1984, in the course of litigation in federal court after the FBI said the tapes had been "lost." Sometime in June, *EIR's* attorney is expected to deposition an FBI official on progress in finding the tapes.

Speaking from the audience at the Congressional Conference June 13, Wellstone confirmed growing support among Democrats on Capitol Hill for a congressional probe. The only debate at the conference concerned whether this should take the form of a congressional effort, or should involve appointment of a special prosecutor.

Also speaking was former hostage Moorhead Kennedy, who presented an open letter he and seven other former hostages signed endorsing a congressional investigation.

Maurice Paporin, the Long Island real estate magnate who chaired the conference, commented that the Fund had sponsored a "colloquy" in 1973 which contributed to the unraveling of Watergate. The implications for President Bush of that comment seemed to be well understood, and well received, by the audience.