

## RS#01: Background on the Iran-Contra Affair

**Read the background information on the Iran-Contra affair and highlight the major events and actors.  
Take notes on when the events occurred and in what order.**

During the administrations of President Jimmy Carter (1977-1981) and President Ronald Reagan (1981-1989), the United States witnessed an increase in Communist uprisings and governments in Latin America, as well as turmoil and the growth of Islamic extremism in parts of the Middle East.

In 1979 in the Middle Eastern country of Iran, a revolution, led by the Islamic religious leader, Ayatollah Ruhollah Khomeini, overthrew Shah Mohammad Reza Pahlavi. Ayatollah Khomeini sought to remove all Western influences within the country and establish an Islamic Republic. In an act of deliberate aggression against the United States, the new Iranian government captured and held 52 Americans for 444 days.

Many historians agree that the inability of the Carter administration to resolve the crisis was instrumental to the election of Ronald Reagan in 1980. Negotiations were, in fact, secretly underway, but the release of the hostages would not come until Reagan was sworn into office in January 1981. The United States broke off relations with Iran and instituted a series of economic sanctions in an attempt to weaken the theocratic government.

In Central America in July 1979, a Cuban-backed Marxist organization, called the Sandinistas, took control of the government of Nicaragua. Communism and the Soviet Union appeared to be an ever-growing challenge to the United States and to the new Reagan administration. Reagan, a hardcore “Cold Warrior,” who had used tough anti-Communist rhetoric during the presidential campaign, was incensed by the further encroachment of Soviet-Marxist influence in the Western Hemisphere.

Reagan was determined to support the opposing Contra rebel forces in Nicaragua to remove the Sandinistas from the government and military. In December 1981, Reagan authorized funding for the Central Intelligence Agency (CIA) to conduct covert operations in Nicaragua by training the Contras as a paramilitary force. He regarded this as the best way to put pressure on the Sandinista government. Congress, however, disagreed and drafted the (first) Boland Amendment, barring the use of funds for the specific purpose of overthrowing the government of Nicaragua. Reagan signed the bill into law in December 1982. A second Boland Amendment was signed into law in August 1984 stating again that no funds could be used against the Nicaraguan government.

Meanwhile, in 1984 and 1985, Hezbollah, an Islamic terrorist group with links to the Iranian regime, abducted seven Americans in the Middle Eastern country of Lebanon. Among the hostages was William F. Buckley, the CIA chief in Beirut, the capital of Lebanon.

In 1984, President Reagan was re-elected to a second term in a landslide victory, winning 49 of 50 states. With a strong mandate, he announced during his State of Union Address in February 1985, his foreign policy stance, known as the Reagan Doctrine, saying “we must not break our faith with those who are risking their lives – on every continent from Afghanistan to Nicaragua – to defy Soviet aggression and

secure rights which have been ours since birth...Support for freedom fighters is self defense.” In this doctrine, Reagan clearly reinforced his anti-communist stance and announced his support for freedom fighters throughout the world. The administration was determined to make use of this doctrine in as an opportunity to covertly aid the Contras in Nicaragua.

Reagan also needed to secure the release of the hostages in Lebanon and was therefore open to negotiating with Iran, despite his hardline public stance against it. Iran was embroiled in war with the nation of Iraq at the time and was willing to turn to sworn enemies, like the United States, for military arms.

In June 1984, Reagan met with Vice President George H.W. Bush and his other chief aides to begin discussing other ways to support the Contra rebels. In March 1985, Lieutenant Colonel Oliver North, a member of the National Security Council, proposed to National Security Advisor Robert McFarlane the possibility of using “third-party” donors, like Saudi Arabia and Brunei in the Middle East, and Panama in Latin America, as intermediaries between the United States, Iran, and the Contras.

In April 1985, President Reagan called the President of Honduras, Roberto Suazo Córdova, and insisted that the United States was committed to helping the Contras even if Congress would not provide financial assistance.

In the summer of 1985, Lt. Col. Oliver North began raising funds for the secret operations in Nicaragua by meeting with officials from Brunei and Panama. In August 1985, Reagan approved an arms deal to allow Israel to sell U.S.-made weapons to Iran. The profits were then sent to support the Contras. The operation, known as “Enterprise,” raised about \$16 million in profits from arms sales to Iran. Over \$3.5 million was then sent to the Contras in Nicaragua. In return for the arms shipments, Iran agreed to broker the release of the hostages, however the exchange for all of the hostages did not occur as planned, and their release was sporadic.

In August 1986, North met with General Manuel Noriega, the military dictator of Panama and a known drug trafficker, to organize an arrangement between the United States and Panama. In a message to the National Security Advisor, John Poindexter, North stated that Noriega suggested that if the United States helped “clean up his image” and lifted a ban on foreign missile sales, he “would undertake to ‘take care of’ the Sandinista leadership for us.”

By 1986, the arms-for-hostages deal had been exposed. On November 26, 1986, President Reagan appointed the Tower Commission, under the leadership of former Senator John Tower of Texas, to investigate. Lawrence Walsh, a former judge and deputy attorney general in the Eisenhower Administration, was appointed the independent counsel for the investigation. Walsh brought charges against 14 employees of the National Security Council (NSC), the Department of Defense, the Department of State, and the Central Intelligence Agency, and private individuals.

Beginning on May 5, 1987, joint Congressional hearings were broadcast in an effort to gather the facts and determine who was involved. Prior to the start of the hearings, Reagan spoke to the American public

and said that his administration had taken part in an arms-for-hostages program without his knowledge and that he, as president, would assume the blame. Reagan claimed that he overlooked the specifics of freeing the hostages because he “asked so many questions about the hostages’ welfare...” and “...didn’t ask enough about the specifics of the total Iran plan.”

Following the Congressional investigation, numerous members of the Reagan administration were charged with providing false testimony, conspiracy, and diversion. In January 1989, Oliver North was charged with sixteen counts. North had been fired by the administration in November 1986, as the story of the deal with Noriega became public. In November 1986, North shredded documents and attempted to obstruct the joint committee investigation.

During the trial, the defense’s witnesses portrayed North as a hero and savior, while the prosecution relied on testimony that depicted North as a thief and liar. North admitted to altering documents and misinforming Congress about the events related to the Contras; however, he insisted that it was not unlawful because he was carrying out orders. Some have claimed that the trial became about whether or not Oliver North was a “pawn or knight errant.” In the end, the jury found North guilty of “aiding and abetting the preparation of the false testimony for the Congressional testimony...destruction of NSC documents, and...acceptance of illegal gratuity.” He was sentenced to two years probation, fined \$150,000, and required to perform 1,200 hours of community service.

Source: “Understanding the Iran-Contra Affair” website. Brown University.

[http://www.brown.edu/Research/Understanding\\_the\\_Iran\\_Contra\\_Affair/index.php](http://www.brown.edu/Research/Understanding_the_Iran_Contra_Affair/index.php)