

Department of History
University of Wisconsin-Eau Claire

Robert McFarlane and the Iran-Contra Affairs

Andrew Pederson
History 489 Senior Thesis
Professor Robert Gough
Cooperating Professor: Oscar Chamberlain

Copyright for this work is owned by the Author

Contents

I.	Abstract.....	3
II.	Introduction	4
III.	Robert McFarland: Background and Rise to Political Power	6
IV.	The Iran-Contra Affair: Aiding the Contras	11
V.	The Iran-Contra Affair: Iranian Arms Sales	18
VI.	Joint Hearings on the Iran-Contra Affair	23
VII.	Conclusion.....	28
	Bibliography	30

I. Abstract

The Iran-Contra Affair is one of the most corrupt and involved scandals in United States history; in dire need of a revisit after 25 years. The focus of this paper is on one of the individuals involved, Robert McFarlane. Robert McFarlane's involvement in the Iran-Contra Affair is important to the understanding of United States foreign policy. The research following will provide an understanding of the complexity of the Iran-Contra Affair, including relative background information on Central America and Iran. Many of the sources including newspaper articles, books, magazines, and Congressional hearings found throughout the research were instrumental in providing a clear description of McFarlane's character and his involvement. It becomes clear that the Iran-Contra Affair was allowed to mature through several major foreign-policy errors. McFarlane's involvement and character had allowed him room to maneuver around Congress, showing that McFarlane had proven to be one of the key components to the organization and policy making during the Iran-Contra Affair.

II. Introduction

When the Reagan Administration took office in January 1981, there were several top foreign policy officials, including the president, who wanted to strike a blow at the Soviet Empire as soon as possible. In the eyes of the new administration, the Fall of Saigon marked the Soviet Union's coming to power, and it was relentlessly expanding beyond the means that the United States was capable of stopping. To make matters worse, the United States had been thwarted, defeated, and humiliated in one crucial theater after another. If this pattern was to continue, there would be a decisive shift in the balance of world power, in favor of the Communists.

Throughout much of the decade, the United States seemed careless with its foreign policy. "American impotence in international affairs had been dramatically underlined by the Iranian debacle, when the Carter administration stood by in virtual paralysis as one of America's most powerful and important allies, Iran, fell to Ayatollah Khomeini."¹ Ronald Reagan promised to "restore American strength and prestige after the weakness of the Carter years; however, it became obvious that...Ronald Reagan was unskilled in international affairs and would not give constant, hands-on attention to the details of foreign policy."² This reluctant approach to Reagan's Foreign Policy eventually led to one of the most controversial and "open" scandals in United States history. In these foreign policy battles, the full range of political and bureaucratic weapons was brought to bear. Some of them were well known, in full public view, such as the Iran-Contra affair. "Large amounts of leaked information, decision making restricted to a handful of people, diplomacy conducted by private citizens, and vitally important trips abroad kept secret

¹Leeden, Michael A. *Perilous Statecraft: An Insider's Account of the Iran-Contra Affair*. New York: Macmillan Publishing Company, 1988. 2

²Ibid., 6

from members of the cabinet,” showed that American foreign policy was made less by design than by struggle, and the struggles were between people of “great passion and conviction.”³ One of these people, Robert McFarlane, and his involvement in US foreign policy and the Iran-Contra affair, are important historically.

In order to understand the complexity of the Iran-Contra affair, it is important to understand the background of the situation and the people involved. The Iran-Contra Affair was two separate events with equal importance, which were conducted within the Reagan Administration during the time of Robert McFarlane’s appointment as the National Security Advisor. As one of the main players, McFarlane’s background and role in the affairs is the key to understanding the complexity of the research presented. This paper will give a brief but detailed exploration of Robert McFarlane as a person and a politician. It will provide arguments that the Iran-Contra Affairs were made possible by major foreign-policy errors stemming from previous issues in Central America and the Middle East. It will also highlight the involvement of McFarlane in Reagan foreign policy. This paired with his character and demeanor as a politician had allowed him to effectively maneuver around congress to hide the Iran-Contra affair, as Congress had continued to flirt with the idea of US involvement. Discussions of the policies and actions taken by McFarlane and the Reagan Administration will show that distinct disconnects between policy and procedure were well at hand during the execution of these affairs and is one of the major factors in the critical failure of US foreign policy.

³Leeden, *Perilous Statecraft*, 2

III. Robert McFarland: Background and Rise to Political Power

Robert McFarlane has been known by many government and media sources to be one of the most influential and controversial people in the Reagan Administration. McFarlane's background was primarily military related. He graduated from the Naval Academy at Annapolis in 1959. From there he was commissioned in the US Marine Corps where he served "outstandingly" in the Vietnam War in which he "had led the first US combat unit"⁴ into Vietnam. McFarlane retired from the Marines as a Lieutenant Colonel and spent two years on the staff of the Senate Armed Services Committee starting in 1979. Following his military career, McFarlane decided to pursue another career move and studied in Switzerland on his way to becoming a White House fellowship. This fellowship and experience would change McFarlane's career and political influence.⁵

McFarlane's military background was useful on the political scene around the time he became Military Assistant to the current National Security Advisor Henry Kissinger. McFarlane's personal relationship with General Alexander Haig had landed him the opportunity to work with the National Security Agency in 1981. With many political connections, McFarlane was able to secure positions as the Counselor to the Secretary of State Department, and later as Deputy of the National Security Council. These positions and an impeccable service record ultimately led to McFarlane's appointment in October 1983 to the office of National Security Advisor.

⁴McFarlane, Robert C., and Zofia Smardz. *Special Trust*. New York: Cadell & Davies, 1994.

⁵Draper, Theodore. *A Very Thin Line: The Iran-Contra Affairs*. New York: Hill and Wang, 1991.

McFarlane rose up the ladder of the Reagan administration in a matter of three years. His rise from the obscurity of a minor staff position to that of National Security advisor was remarkable in such a short period of time. Much like Alexander Haig had done during the Nixon Administration's term in office.⁶ Some people who knew McFarlane, such as Theodore Draper, author of *A Very Thin Line*, noted that McFarlane was "a serious, intelligent ex-marine and had been in a position to observe the political folkways of Washington for over a decade in no way can this explain his sudden eminence in the presidential bureaucracy."⁷ Draper was alluding to the decision to replace William Clark with McFarlane. According to members of Reagan's inner circle, McFarlane was "both lucky to have a president who put him into office so cavalierly and unlucky to have a president who was equally cavalier about how his wishes were carried out"⁸; however, McFarlane's views of himself were substantially different than those around him. McFarlane saw himself as more than "an honest broker of advice coming to the President from outside the White House."⁹ He described himself as "an independent adviser and policy manager for the president on national security affairs," while occasionally stating he was a policy initiator, placing issues on the agenda when the departments are unwilling and unable to do so. McFarlane stated later in 1984 that the National Security Adviser must also be "a policy arbitrator, drawing heavily upon his personal knowledge of the president's values."¹⁰ These statements are all very similar to the views of previous Security Advisors in the Nixon and Carter administrations.

McFarlane was an excellent choice for the low-key, non-confrontational Security Advisor that Reagan preferred. McFarlane, as he saw it, was not likely to go out and seek the limelight,

⁶Draper, *A Very Thin Line*, 28

⁷Ibid.

⁸Ibid., 29

⁹Ibid.

¹⁰Ibid.

let alone engage in any direct challenge to senior members of Reagan's cabinet.¹¹ "Reagan's style of government had the security advisor functioning as a manager, coordinating policy, informing the president of the differing views on policy, and occasionally riding herd on the bureaucracy to secure effective implementation."¹² Reagan did not expect McFarlane to be a major source of new initiatives or emerge as an advocate of his own policy. McFarlane's managerial and intellectual skills, paired with his military discipline and discretion, were major strengths for the position.

McFarlane's approaches towards politics were unique amongst his peers. His political ambitions, along with a strong military background and understanding of policy, were strengths of his; however, every good politician has his day. While serving as deputy to William Clark, McFarlane was partially held responsible for a "fiasco" that took place in September 1983. In September, McFarlane was sent to Beirut as special Middle East envoy, where he found himself involved with the Christian-dominated government and a collection of armed Moslem groups that united only in their hatred for the current government. On September 19th, as Moslem forces attacked the Lebanese army, McFarlane was said to have ordered US naval vessels offshore to come to their rescue by firing heavy guns against the attackers, thus plunging the United States into the midst of the Lebanese civil war. Subsequently, four days later, in an apparent retaliation strike, a Moslem suicide mission in the form of a truck filled with dynamite drove into the Marine headquarters in Beirut, killing 241 Marines. According to Draper, "McFarlane was blamed for the ill-advised naval bombardment that may have been linked to the suicide mission."

¹¹Leeden, *Perilous Statecraft*, 144

¹²Leeden, *Perilous Statecraft*, 144

Another staff member of the NSC accused McFarlane of staging “a premature grab for power.”¹³ This would be the first of three other political events that saw McFarlane at the forefront.

McFarlane’s early career had been mostly a success, before the political hurdle of Beirut. This would not be his only hurdle that he would have to overcome in his tenure. Early in his career as National Security Advisor, McFarlane infuriated Senator Daniel P. Moynihan a democrat from New York. In January of 1984, mines were laid in Sandino Harbor in Nicaragua, accompanied by other mine-laying, the sabotage of Sandinista communications, and the destruction of a rebel arms depot. In April of 1984, it was disclosed that the CIA had conducted the action, and a Senate resolution condemned the mining. The mines placed were designed to only damage or scare off ships rather than destroy them. Consequently, the United States actions were obviously a violation of international law. The Sandinistas took their case to the International Court of Justice, commonly known as the World Court, and won; although, it continued defiance by the Reagan Administration. The administration had refused in advance of the hearing to recognize the court’s jurisdiction in the matter. The court found the mining of Nicaraguan harbors to be a force against another state that amounted to an intervention of one state in the internal affairs of another.

As a continuing political battle occurred over the legality of the mining, the effect it had on the United States’ relationship with the Sandinista regime would prove costly as McFarlane chose to give an address at the Naval Academy in April 1984 in which he contended that the congressional oversight committees had been fully informed of the mining. Subsequently, the collateral damage of his address was seen shortly thereafter, when Moynihan resigned temporarily from the Senate Select Committee on Intelligence (SSC). Senator Moynihan had

¹³Draper, *A Very Thin Line*, 28

claimed that the SSC was not informed of any US involvement in the mining of the Nicaraguan harbor.¹⁴

McFarlane's insider status accompanied with early political missteps would suggest that Reagan did intend for McFarlane to function as more of a chief bureaucrat rather than a policy maker. In fact, McFarlane was totally different from White House and cabinet peers in Reagan's social world of "California-on-the-Potomac." According to sources close to McFarlane, he was a "shy person, where laughter came slowly." McFarlane also said he "felt ill at ease among the wealthy, country-club Republicans and movie stars who so often surrounded the president and the first lady."¹⁵ McFarlane's wife, Jondra, was a schoolteacher, and the two were modest and quiet together whenever they were in public. It would then seem completely out of context to group McFarlane in one of the most interesting and public scandals in American political history.

¹⁴Draper, *A Very Thin Line*, 29

¹⁵Draper, *A Very Thin Line*, 145

IV. The Iran-Contra Affair: Aiding the Contras

In order to better understand the Iran-Contra affairs, it is necessary to understand one of the most common misconceptions that surrounded the Iran-Contra scandal. The Iran-Contra affairs were covert operations managed by members of the National Security council staff, including McFarlane. First and foremost,

There was not one Iran-Contra affair, as if the Iran and contra operations were two parts of one whole. They were not. They were, in fact, quite different operations and dealt with very different problems and countries. That both were managed by the same few officials and sometimes intersected at particular points did not make them one and the same affair.¹⁶

Central America seemed too good to be true from a communist standpoint. Efforts there, according to members of Reagan's inner circle, were clearly aimed to subvert American national interests within our own hemisphere. New intelligence noted that Soviet sponsorship of guerrilla movements in El Salvador and within the new Sandinista regime in Nicaragua was gaining support. The United States had collected further intelligence, including documents and sources from within the Nicaraguan and Salvadoran guerrillas circle. This intelligence was so convincing that the Carter administration had cut all aid to Nicaragua just a few days before leaving office.

The United States had a remarkable picture of the Soviet-Cuban plan to bring communism into El Salvador under one centralized control. The United States had done so previously in Nicaragua as dictator Anastasio Somoza had been brought under a Sandinista umbrella organization, the FSLN(Sandinista National Liberation Front). This would be necessary again, so the desperate radical groups in El Salvador could be centralized under the FMLN (Farabundo Marti Liberation Front). Although there were significant democratic groups and individuals in both the Salvadoran and Nicaraguan movements, the superior strength and

¹⁶Draper, *A Very Thin Line*, 3

political ruthlessness of the Cuban-controlled parties guaranteed that the Democrats would have little chance of prevailing in the political struggle that would follow the fall of the existing government. To make matters worse, this situation was well under way in Managua around the time Reagan entered office.¹⁷

When Reagan entered office, he was immediately met with the Central American debate. The Reagan Administration knew that if the guerrillas in El Salvador were to win, they would bring the total number of pro-Soviet states in the region to three, all dedicated to the struggle—all living examples of the continuing success of the Soviet Empire. Policy-makers in the new Reagan Administration believed that this victory would lay the groundwork for an expansive campaign against Guatemala, Honduras, and eventually into Mexico. With the remaining barrier between the US and communism now on the home front, Soviet power in Latin America would explode.¹⁸

The Reagan Administration needed an effective policy in order to keep the influence of communism out of America. The policy would mitigate the Communist threat in Central America, while keeping the new administration out of a potentially explosive all-out confrontation with Cuban President Fidel Castro. The bottom line was that Reagan could not commit his policy to removing the Sandinista regime in Nicaragua. Reagan's Administration did not believe that the Sandinistas would ever come to terms with the US and abandon their support for subversive movements in Central America. Congress would not support a full-fledged effort to bring them down, let alone go after Cuba. The most that could be accomplished was the defense of El Salvador.

¹⁷Leeden, *Perilous Statecraft*, 17

¹⁸*Ibid.*, 19

With the line drawn at El Salvador, the US went to work. It was the goal that there was to be no further expansion of communist power in Central America. In order to meet this goal the CIA would have to organize an effective guerrilla movement against the Sandinistas. The movement would require considerable money from Congress for both Salvador and some sort of anti-Sandinista force. This force would create pressure on Nicaragua and open diplomatic channels to Managua, Havana, and Moscow. These channels could be used to discuss the neutralization of the Sandinistas as an active force in Central America. The money would also have to be used to gain support in Europe. Europe was an integral part of the plan for helping establish financial assistance programs within Nicaragua that would increase aid and US support in the area. American policy would then be seen as a peaceful resolution of conflict in Central America by those who feared Soviet expansion, and if they did not reason with the United States, they faced a conflict of unlimited scope in which they could not win.¹⁹

The United States had developed a policy that was confrontational, yet peaceful. It was a hopeful resolution to what many thought was a no-win for the United States. In August of 1981 the United States offered the Nicaraguans a deal:

If they would renounce their support of guerrilla movements elsewhere in Central America and agree to limit their military buildup to a reasonable levels, the United States would restore the aid program, issue a guarantee of non-interference, and crack down on the handful of anti-Nicaraguan groups that were operating in South Florida.²⁰

The Sandinistas had other plans. No answer came from Managua for months, and by this time, the level of anti-American propaganda was so intense and active that the rejection of the offer was clear to everyone. What started as a peaceful negotiation to the Central American conflict was now being pushed towards a military conflict by the Sandinistas; thus the need for a highly

¹⁹Leeden. *Perilous Statecraft*, 20

²⁰*Ibid.*

controversial covert program. The Reagan Administration's Contra policy was already highly controversial. The President compared the struggle against Nicaragua's communist-supported Sandinista government to the same fight that the American revolutionaries fought and triumphed over British rule; however, the contra war engendered battles on Capitol Hill where military funding was alternately won and lost by narrow margins. "The opponents of the Administration's anti-Sandinista policies convinced a majority of the Democratic-controlled US House of Representatives to view the Sandinistas' with extreme skepticism."²¹ Their efforts resulted in passage of an amendment introduced by Representative Edward Boland in late 1982. This amendment was the first of a series of "Boland Amendments" that had been set in place to prohibit the CIA, the principal agency responsible for the covert American support to the contras, from spending any money for the purpose of overthrowing the government of Nicaragua.

The Boland Amendment put a restriction on a major part of the Reagan Administration's foreign policy commitments. The administration pushed hard for more money for the contras, while Democrats threatened to cut off support for the contras altogether. In early December of 1983, the two sides met and decided to set the Fiscal Year 1984 funding for the contras to a meager \$24 million, significantly lower than the administration had requested. Shortly after the passage of the Boland Amendment, President Reagan had directed McFarlane "to keep the financially strapped Nicaraguan contras alive as a viable fighting force, despite a ban on US military assistance."²² McFarlane then assigned Oliver North to handle the situation as his liaison. North kept McFarlane generally informed of his efforts on behalf of the contras, which McFarlane told North to undertake in utmost secrecy. McFarlane had described Oliver North as

²¹Walsh, Lawrence E. "Final Report of the Independent Counsel for Iran/Contra Matters." Washington DC, 1993.

²²Ibid.

an imaginative, aggressive, yet committed young officer and was noted by many close to Reagan to be one of his personally approved heroes.

McFarlane had found a loophole around the Boland Amendment after a few short months of taking on the responsibility. McFarlane suggested to other administration officials that one way to fund the contras would be to encourage other countries to contribute support. One of these officials, Secretary of State George Shultz, warned that any approach to a third country could be viewed as an impeachable offense, and convinced the group that it needed a legal opinion from the Attorney General.²³ By this time, McFarlane had already convinced Saudi Arabia to contribute \$1 million per month to the contra cause without consulting the AG. This was a significant victory for McFarlane; however, there was still the daunting task of needing more funding and trying to keep the transactions between Saudi Arabia, the Contras, and the United States out of the view of Congress. In fact, when presented with the opportunity to divulge the information about Saudi Arabian funding, McFarlane declined to comment on the situation, and it was passed on as nothing.

In order to manage the funding being provided, McFarlane ordered North to arrange for a “covert bank account to move the Saudi funds into contra hands.”²⁴ North’s role in assisting the contras grew as Congress inched closer to cutting all assistance to the contras. By early August 1984, the House had passed the toughest restriction on contra aid yet and became a law in October 1984 (Fiscal years run from Oct.1st of the previous calendar year and end on September 30th of the current numbered year). The new additions to the Boland Amendment stated:

During the fiscal year 1985, no funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the

²³Lawrence E. Walsh. *Final Report*

²⁴Defense Appropriations Act For FY 1983,793, Pub.L 97-377 (1982)

purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.²⁵

In order to comply with this law, both the CIA and the Defense Department withdrew large numbers of personnel from Central America, leaving a large void that McFarlane and North had to fill. CIA Director Robert Casey immediately handed over his Central American control to North and told his people to work with him on keeping the funding and support coming.

With a void of personnel and dwindling funds, it became more apparent that the failures of the administration to procure funds to the Contras would eventually lead to a complete failure of Central American foreign policy-making by spring. During the Spring of 1985, it was once again clear that the Congress would not rescue the contras any time soon. The House again defeated a \$14 million supplemental aid package in March for Fiscal Year 1986, leaving the contras to rely on the private funding setup by McFarlane and North. Increasingly troubled with shortcomings in congress, Reagan created the Nicaraguan Humanitarian Assistance Office with the State Department and ordered them to continue to move supplies into the country. This new office gave the US government new leverage in dealing with the contras; more specifically, it allowed North to implant his associates in Nicaragua, whom he had been working with covertly on the contra supply.

Although McFarlane and North had tried to keep their contra-support activities a secret, it was impossible to completely conceal such an ambitious project involving individuals throughout Central America and in Washington. In the summer of 1985, a series of press reports began to raise serious allegations against North's fund-raising and other contra-support activities. These press reports prompted inquiries from the House Foreign Affairs Subcommittee on

²⁵Lawrence E. Walsh. *Final Report*

Western Hemisphere Affairs and the House Select Committee on Intelligence. Their eventual purpose was to uncover the funding being provided to the Contras. The Contra funding and the Iranian Arms Sales were one of the only overlapping operational issues of the Iran-Contra Affair. As it will make the next section clearer, the issue of the Contras and the connection to the Iranian Arms Sales is very confusing. One of the major ways that United States began supplying funding to Central America was allowing the sales of weapons through Israel to Iran, where the proceeds to these weapons would be put in a fund that the Contras had access to. This would allow the United States some form of deniability if the actions were to be uncovered. This slush fund was known to very few people and was completely concealed to all but a few staff members in Washington, including McFarlane. However, with Iran falling under a revolution, and the issue of American hostages in country, the United States was determined to meet their goals in the Middle East.

V. The Iran-Contra Affair: Iranian Arms Sales

For the first half of the 20th century, Great Britain and the United Kingdom played the major Western role in helping Iran contain Soviet power, but with the exhaustion of Great Britain after WWII, this vital task fell to the United States. “American involvement with Iran began with the Truman Doctrine which was designed to block attempted Soviet expansion in Iran and Greece in 1945.”²⁶ All of this changed abruptly with Ayotollah Khomeini’s sudden seizure of power in 1978. Khomeini viewed the president of the United States as the “Great Satan.” With Khomeini in power, the “American presence disappeared virtually overnight.”²⁷ Yet, the US government’s focus on Iran had not changed. Iran still shared a two thousand mile border with the Soviet Union and was still a nation of vital strategic importance for the West.

During the shah’s rule in Iran, previous to Khomeini, there had been a substantial agreement between Iran and Israel, mostly on defense matters. Israel at the time had developed one of the most efficient information-gathering networks working inside Iran. This was possible by utilizing a small but efficient network within Jewish communities in Iran and also in the Iranian defense establishment. Even after the revolution, many of the Iranian officials working with the Israelis remained in their positions and allowed for a smaller window of view into the political mind of Ayatollah.²⁸ In order to keep these channels open, the Israelis continued to look positively on their shipments of weapons to the regime. In the Middle East, arms have long been the lubricant for good relations between countries, and this is particularly so during times of open conflict. Iran was beginning to face some serious problems, including Iraq’s invasion of Iran on September 22nd, 1980, the retaking of Iraqi occupied lands after, and finally “attempting to fulfill

²⁶Leeden. *Perilous Statecraft*, 91

²⁷*Ibid.*

²⁸*Ibid.*, 97

Khomeini's long-standing threat to destroy the Iraqi regime."²⁹ The Iranian invasion was following a long history of border disputes with Iraq, along with issues involving Iraq's long suppressed Shia Muslim majority after the Iranian Revolution. Iraq's aim was to take advantage of the revolutionary crisis in the country and quickly attack without warning to catch the Iranians off guard. The Iraqi regime had maintained a very efficient and powerful tank corps along with supporting air forces. Thus, the Iranians needed effective antitank and anti-aircraft weapons in order to help them regain the territory they lost during the Iraqi invasion.

The pursuit by the Iranians of these weapons would send the United States into negotiations with the Iranian government, which were, at the time, unknown to other members of Congress and the Reagan Administration. What is known as the Iran Arms Sales was actually a series of related but distinct events that began in the summer of 1985 and continued through 1986. McFarlane met at the White House with David Kimche, director general of the Israeli Foreign Ministry, on July 3rd, 1985. During this meeting, Kimche raised the possibility of a renewed political dialogue between the US and Iran. According to Kimche,

Iranians who had been in contact with Israel would show their good faith by using their influence over radical groups in Lebanon to obtain the release of American hostages. These Iranians would expect a reciprocal show of good faith from the United States – most likely in the form of military equipment.³⁰

At this point, it had become clear that the United States policy towards no negotiations with terrorists was going to be stretched. In order to secure the release, the US government would have to send weapons to Iran, thus aiding terrorism. The weapons were not the only issue at hand; Reagan's public comments on his administration's negotiations with terrorists posed trouble. In June, just before the meeting with Kimche, Reagan stated:

²⁹Leeden. *Perilous Statecraft*, 97-98

³⁰Lawrence E. Walsh. *Final Report*

Let me further make it plain to the assassins in Beirut and their accomplices, wherever they may be, that America will never make concessions to terrorists – to do so would only invite more terrorism – nor will we ask nor pressure any other government to do so. Once we head down that path there would be no end to it, no end to the suffering of innocent people, no end to the bloody ransom all civilized nations must pay.³¹

Although it had already been discussed and decided that the Americans would not negotiate with the terrorists and sell them arms in exchange for the release of hostages, McFarlane mentioned his conversation with Kimche to the President. President Reagan expressed interest and instructed McFarlane to explore it further. At the President's request, McFarlane was again in contact with Kimche and had learned that he had communicated with a group of Iranians who wished to "improve relations with the West and who could demonstrate good faith by arranging the release of the American hostages. In return, these Iranians need to have 100 American-made TOW anti-tank missiles."³² This contact was Manucher Ghorbanifar, an Iranian businessman who was known to the American intelligence community as a prevaricator. After past interactions with him, the CIA had concluded that he would not be trusted to act in anyone's interests but his own. This prompted the CIA to issue a "burn notice" in July 1984, recommending: "No US agency have any dealings with him."³³

Ignoring the burn notice issued by the CIA, McFarlane, Kimche, and President Reagan met on July 18, 1985, and the conversation produced a proposal to the president. The proposal allowed the US government to supply weapons to Iran in return for the release of American hostages. The questions arose: Would the United States directly sell to Iran? If this was not the case, would the United States permit Israel to sell their manufactured weapons to Iranians? What if the Israeli's sold the weapons, would the United States then replenish what weapons Israel had

³¹Lawrence E. Walsh. *Final Report*

³²*Ibid.*

³³*Ibid.*

supplied in the transactions?³⁴ President Reagan, McFarlane, and other top advisors were briefed in early August following the ongoing US actions in the country. The President was very quiet in his reaction to the information he had received, and as McFarlane and other advisors put it, Reagan was unsure of what efforts he should make. McFarlane's own personal conclusion was that President Reagan would approve sales of US supplied weapons by Israel if the weapons went to reliable anti-Khomeini Iranians. On August 23, President Reagan "approved a commitment to replenish Israel's supply of missiles for those sent to Iran."³⁵ There was, however, no notification to congress involving the shipment of these missiles to Iran.

The first shipment of missiles was to be sent in the summer of 1985. The Israeli's had been prepared for the shipment and were moving quickly. On August 20th, after issues of price and financing arrangements, the first shipment of 96 TOW missiles arrived in Iran; however, to the dismay of the United States, no hostages were released and an unheeded warning about Ghorbanifar produced major issues. Ghorbanifar claimed that the shipment of TOW missiles was seized by "the wrong people" but had "expressed hope that further shipments would lead to the release of hostages."³⁶ After more negotiations, it was determined that another four hundred TOW missiles would be required to gain the release of a single hostage. On September 14th, 1985, an Israeli chartered aircraft arrived in Iran carrying 408 TOW missiles in return for hostage William Buckley. The US demands were once again unmet as the Iranians released Reverend Benjamin Weir, seemingly as a ploy to spread their anti-western propaganda back into the US. It

³⁴Lawrence E. Walsh. *Final Report*

³⁵Ibid.

³⁶Ibid.

was later that the US would find out that Buckley, at the time of the request, had already been dead for over two months.³⁷

Despite unsavory results from two transactions with sources within Israel and Iran, the United States was hard-pressed to release the remaining hostages. Another deal was then brokered with Ghorbanifar in which he proposed “a staggered exchange of hostages for 150 HAWK missiles, 200 Sidewinder missiles and 30-50 Phoenix missiles.” However, after continuous conversations and negotiations between the sides, only 18 HAWK missiles were delivered to Iran. In fact, “these 18 HAWK missiles were not what the Iranians wanted...they had been given the impression that they...were capable of shooting down planes at high altitudes”³⁸; they were not. To make matters worse, the missiles carried the Israeli Star of David markings, which angered the Iranians; therefore, once again, no hostages were released.

Not only was the shipment a burden on Iran, but back in the United States, the CIA was under intense scrutiny. Word had leaked that the CIA’s extensive involvement in the logistics of the delivery, its efforts to gain foreign clearance, and the use of the proprietary aircraft for an Israeli weapon delivery were covert actions that required a Presidential Finding. Ignoring the increasing cries by government officials for an investigation into the matters, North continued his activities. An August 10th, 1985 memo from North to McFarlane described North’s efforts to assist a southern military front for the contras from Costa Rica. North had also noted, in reference to the press reports, that he was sorry for the difficult times that had occurred and wished to re-offer McFarlane the opportunity to move on if the issue continued to become a liability for he and the President. In November of 1986, the Iran-Contra matter was made public and the opportunity for McFarlane to possibly escape the affair had passed.

³⁷Lawrence E. Walsh. *Final Report*

³⁸Ibid.

VI. Joint Hearings on the Iran-Contra Affair

After the fallout from the Contras and the Iranian Arms deals, McFarlane was asked to testify in front of Congress on the issue of possible criminal charges stemming from his involvement in both affairs. On May 11th, 1987, Robert McFarlane spoke in front of the House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. McFarlane's testimony was a credit to his character and demeanor as a White House official. McFarlane was detailed where he needed to be; however, there were questions about the legality of his actions.

McFarlane opened his testimony by admitting that the nation's foreign policymaking apparatus did not produce its share of success; however, "failures like those in the Iran-Contra affair do not happen every day. But on any policy issue where party or ideological interests diverge substantially, the system is becoming increasingly subject to incoherence or paralysis."³⁹ McFarlane believed that although he was partially to blame for the mistakes made during the affair, others too should bear the burden as well. "There is enough blame to go around in all of these matters now under investigation. I have been and remain willing to shoulder my part of it."⁴⁰ He also noted that when inquired by Congress about the administration support for the Contras in 1985, his own response was too categorical and he was not sufficiently probing or self-critical. McFarlane went on to admit that his individual mistakes should be identified to the committees and vowed his continued compliance with the investigation.⁴¹

³⁹*Joint Hearings on the Iran-Contra Investigation: Testimony of Robert C. McFarlane, Gaston K. Sigur, Jr., and Robert W. Owen.* Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, Washington: US Government Printing Office, 1987. 1

⁴⁰*Ibid.*, 2

⁴¹*Ibid.*

Speaking on the Contra matters first, McFarlane stated that the involvement of the US government was in a collective response to earlier Soviet advancements during the 1970s and 1980's. McFarlane argued:

For six years, both the executive branch and Congress have, time and again, failed to seize the opportunity to define the Central American problem, develop a strategy for dealing with it, and through vigorous public discussion, stimulate public support for deliberately chosen policies.⁴²

In McFarlane's judgment, success in Central America depended upon the conditional or continued congressional support for the Contras. In January 1985, McFarlane believed that it was very uncertain whether the Contras would ever acquire the capabilities to promote trust in their political strategies; however, McFarlane felt that it was owed to them and to ourselves to cut our losses and change our strategy in Nicaragua to a combination of US force and diplomacy.⁴³

McFarlane also commented that "the President repeatedly made clear in public and in private that he did not intend to break faith with the Contras."⁴⁴ Continuing efforts to bring the movement into the favor of Congress and the American people was the focus of the US involvement in the Contra affairs. Under the Congressional restriction on funding to the contras, which was cut several times during the early 1980's, had forced the president to try and keep the contras together "body and soul." McFarlane argued that in the case of the Contra operations, it was the NSC that was the agency of last resort. And it was not the right agency, as subsequent history clearly revealed.

At the President's request, McFarlane had entrusted two staff officers, Donald Fortier and Lt. Colonel Oliver North, to the Central American issue. It was important for McFarlane to give clear direction to North, while maintaining the secrecy of their actions. He told North two things:

⁴²*Joint Hearings*, 1

⁴³*Ibid.*, 5

⁴⁴*Ibid.*

The first was to be a visible sign of the President's strong personal support, and to show the Contras that they would not be forgotten or abandoned, even though we could not provide them with financial support. The second, more specific responsibility I gave Colonel North was to help the Contras in their efforts to become a real political movement, genuinely respecting democratic principles and human rights.⁴⁵

McFarlane also testified that he had made it a practice to make a point stressing his staff to operate within the confines of the law at all times, and in particular were not to solicit, encourage, coerce or otherwise broker financial contributions to the Contras. McFarlane took this to be the Congress's foremost concern, from having worked with many people involved in drafts of legislation in the months before. In this instance, as in others, the rule of law had to govern national policy, as well as our action in support of it. McFarlane claimed here that there was no need to find additional funds.⁴⁶

In the early months of 1985, the climate surrounding Nicaragua had begun to improve, according to members of Reagan's administration. This was largely due to the work of Colonel North, and the Contra leadership who accepted the necessity of adding respected political figures to their movement and of turning their attention to developing a peace a significant peace proposal. This proposal stated that the Contras would lay down their arms in exchange for negotiations. The Sandinista government would then slowly allow the Contras participation in the political process of Nicaragua. Ultimately, the measure failed, and McFarlane attributed the cause for the affair to the shift by Congress for support after the Nicaraguan president's trip to Moscow--a sudden and tragic blow to the United States position. If the communist state's influence would spread to Nicaragua, the Reagan Administration's foreign policy in Central America would have been dealt a heavy blow. McFarlane put it in perspective:

⁴⁵*Joint Hearings*, 5

⁴⁶*Ibid.*, 6

With the shift by Congress coming late, just as essential planning by the executive branch had come late, and the cost was heavy, not only to the effectiveness of our overall plans but also to the institutions of the US Government that had become involved in managing this confused and contradictory policy.⁴⁷

McFarlane was arguing that people simply could not carry out policy under these conditions, and if you tried to make them do so it would have produced conflicting allegiances, lack of communication, and blurring of essential lines of authority and responsibility.

When asked specifically about details regarding his involvement in the affair, McFarlane acknowledged multiple times that there were issues of clarity and understanding between staff members on the perceived response to the situation and that Reagan had left a majority of the decision making processes up to the individuals involved in the situations. It seemed apparent that a majority of issues caused by the Contra affair were because of the vague amount of details and lack of communication between Reagan, McFarlane, and North. There had also been many “problem documents” that had been doctored or completely destroyed in order to help shape a better picture of operating within the laws of Congress.

The committees, after hearing testimonies from McFarlane and other members of his workgroup, would eventually charge McFarlane with four misdemeanor counts of withholding information from congress. From the Independent Counsel’s perspective, President Reagan had put McFarlane in a difficult position by charging him with holding the contras together, body and soul, during the Boland cut-off of US aid. The Independent Counsel also believed that because of the situation Reagan had created, McFarlane was forced to put his subordinates in equally difficult positions by delegating operational tasks to them to carry out. These tasks, which were forged from the President’s directive, led McFarlane and his circle to carry out these criminal efforts by keeping their activities concealed from Congress. There was, however, no evidence

⁴⁷*Joint Hearings, 7*

that McFarlane or any of his National Security Council staff had raised concerns that the presidential directives were causing them to undertake actions that might be unlawful. The independent council found that they instead discussed these matters amongst themselves, rather than take steps to cover their tracks.

McFarlane's charges stemmed from his allowance of his NSC staff members to take on "operational duties" during the Contra affair. These duties allowed the President, CIA, and the State and Defense Department's a degree of deniability. Along with this, McFarlane's efforts to keep North's activities and the Saudi Donations concealed from Congress helped build a case against McFarlane. In regards to the Iranian Arms Sales, McFarlane's testimony was found to contradict other senior official's testimonies on several critical points. These points, outlined by the Independent Council, included McFarlane's claims that during the decision making process he had briefed his associates to keep the NSC principals in mind while carrying out their assignment. He had also insisted to the council that the President had approved the 1985 arms shipments to Iran.

Due to the transgressions found in the testimony of McFarlane and his involvement with the Iran-Contra affairs, he was charged with four misdemeanor counts of withholding information from congress. In 1988, McFarlane would plead guilty, and he was sentenced to two years probation along with a \$20,000 fine for his part in withholding information from a Congressional Committee.

VII. Conclusion

Throughout much of the Reagan Administration's term in office we saw the United States engaged in two major foreign policy blunders. The issue of the Iran-Contra affair spilling onto the American political scene created distrust within the government, challenged beliefs on the President's role in foreign policy, and presented issues surrounding the right to delegate power amongst his cabinet and related government offices such as the CIA and NSC. As it was mentioned earlier the Iran-Contra affair was not one event, but a culmination of two events. The Iran-Contra affair has been seen as a major foreign policy error. Robert McFarlane's involvement and character had allowed him room to maneuver around a relentless Congress that was determined to understand the meddling of the United States in these affairs. McFarlane had been much more involved in the affairs as a coordinator rather than a participant during the in-country actions. The failure of the Iran-Contra affair can also be attributed to the lack of support in congress coupled with the failure of President Reagan to pay sufficient attention to the actions of his staff members. As the research showed McFarlane was a key component to the organization and policy making decisions during the Iran-Contra affair. From arranging funds, gaining support for the contras in Europe, and arranging for the US supplying of arms to Iran in order to fill the voids in funding from Congress, McFarlane was an integral part of the Iran-Contra affair. In fact much of his power had come from Reagan's lack of involvement in the situation and the continuing popularity of Communism in Central America.

The Iranian Arms Sales and the US involvement in the Contra affair were fueled by past regressions in foreign policy and the lack of dedicated individuals to confront such pressing issues. As it was outlined, the issue of Communism in Central America, and the issue of intelligence gathering and hostages in the Middle East lead to a less than functioning approach to

the Iran Contra Affairs. Twenty-five years later it is important to look back on our discretions in the Middle East and Central America in order to understand why the United States continues to struggle in the area of foreign policy. This research could allow for further discussion surrounding foreign policy in both regions, along with the correlation between the Iran-Contra affair and the current state of the United States relationship with the Iranian Government.

Bibliography

Primary Sources:

Brower, Brock. "Bud McFarlane: Semper Fi." *The New York Times Magazine*, 22 January 1989, 26-28.

This Article in the New York Times is a fitting piece on the involvement of Robert McFarlane in the Iran-Contra Scandal. The Article focuses on McFarlane's pending hearing on his apparent withholding of information from Senate Committee hearings. This is an important source that can be used to help create an image of what McFarlane was like and how his involvement in the scandal changed the political landscape.

Defense Appropriations Act For FY 1983, 793, Pub.L 97-377 (1982)

The Defense Appropriations Act for FY 1983 is an integral part of the Iran-Contra affairs and one of the most congressional actions that influenced a majority of the decisions during the Iran-Contra affair. This will be used to show a connection between Iran-Contra and the issue of Congress and the funding that was being provided.

Draper, Theodore. *A Very Thin Line: The Iran-Contra Affairs*. New York: Hill and Wang, 1991.

Draper's work documents the events of the Iran-Contra Scandal as well as the people whom were involved in it. His Book *A Very Thin Line* includes congressional testimony, private depositions and a new afterword in this authoritative account of how a handful of officials took over U.S. foreign policy.

Ledeen, Michael. *Perilous Statecraft: An Insider's Account of the Iran-Contra Affair*. New York, NY: Charles Scribner's Sons, 1988.

Leeden argues in his book that because the investigators were looking for evidence of criminal activity, they failed to spend sufficient time on several crucial elements that would help them and the American people understand the affair. One of these crucial elements was the "psychological crisis of National Security Advisor Robert "Bud" McFarlane in the second half of 1985, a year before he attempted to commit suicide. Out of the concern for his well-being, and respect for his contribution to the country, this subject was not explored at all, even though it was clear to most everyone that it must help explain the critical decisions taken in the White House." Leeden's focus for the book was an attempt to "set the record straight" on the major events and personalities at work during the Affair. His own judgment was that Iran-Contra was a terrible mistake, and to understand how it happened is not to condone it.

McFarlane, Robert C., and Zofia Smardz. *Special Trust*. New York: Cadell & Davies, 1994.

In this absorbing personal memoir, former National Security Adviser Robert C. McFarlane takes you inside the central events which have shaped our lives and our country in the late twentieth century. He also provides a riveting account of behind-the-scenes White House maneuvering and how personal agendas and the misuse of power have affected global politics and led to declining trust in elected officials. From Vietnam where he served as a Marine officer, to the corridors of power where for nine years he served Presidents Nixon, Ford and Reagan, McFarlane provides a rich history of what it means to wield power in international politics. From the rescue of Americans in Grenada to the tragic bombing of the Marines in Beirut, McFarlane talks about the Kremlin, the Middle East, and finally Iran, where he risked his life in an aborted effort to find a successor to Khomeini. His sense of failure brought on by the Iran- contra scandal, he tells a human story of soaring vision and personal defeat. This book provides a gripping insider's account of America's failures and triumphs in recent years; it also offers Americans and their leaders a hopeful prescription for the restoration of trust in government.

Powell, Stewart. "A Washington Power Trip to the Edge and Back." *U.S. News & World Report* v.10, 23 February 1987, 11.

This article in the US News and World Report talks about Robert McFarlane's involvement in the Iran Contra scandal and how his policies and advice to the President and Congress led him on a political crash in the later parts of the 1980s. This source will be used to help create the profile and background of McFarlane's actions throughout his involvement in the scandal.

Segev, Samuel. *The Iranian Triangle: The Untold Story of Israel's Role in the Iran-Contra Affair*. New York, NY: The Free Press, 1988.

The Iranian Triangle book is a detailed account of Samuel Segev, an Israeli journalist, and supplements the record of the U.S. congressional hearings with revelations on the central role of Israel throughout the entire affair. In both method and substance Israel's conduct was at least logical and consistent with its policy toward Iran, established in the days of the shah (described in the opening chapters), and not a game played by rogue adventurers. What is still missing is the Iranian side of the story, preferably from one of the "moderates" for whom the Americans were looking. However, this source can be used to monitor the US involvement in the scandal and help build a historical image of the events of the affair as well as Robert Bud McFarlane.

U.S. Congress. Senate. Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. 100th Cong., 1st, 2nd, 9th, 11th sess., 1987

The Senate Select Committee Hearings are going to be an integral part of my research. The four sources listed are hearings from various people including the testimony of my topic Robert McFarlane. McFarlane was mentioned in large amounts throughout the 100-1/2/9/11 published reports and all of them are full of testimony not only from himself on the matter but also from fellow government officials and spectators involved in the Iran-Contra Scandal.

U.S. Congress. Senate. Committee to Investigate Covert Arms Transactions with Iran. 100th Cong., 1st sess., 1987.

(See Above)

Secondary Sources:

Draper, Theodore. "How Not to Deal with the Iran-Contra Crimes." *New York Review of Books*, June 1990, 37-39.

Comments on the Iran-Contra trials. Problems with the trial of John M. Poindexter; Lies of Oliver L. North and Robert M. McFarlane; Former President Ronald Reagan's conflicting testimony. This source can be used to help argue that McFarlane was involved illegally in the trials and testimony involving the previously mentioned people along with his own testimony.

Hormats, Robert D.. *The Price of Liberty: Paying for America's Wars from the Revolution to the War on Terror*. New York: Holt Paperbacks, 2008.

This source is a decent example of a secondary source. The book describes events of our past including the ICA (Iran-Contra Affair) and how it relates to the current political situations that the United States faces. This source would be valuable in creating an argument with supporting facts on how the issues of our past are still on the forefront of today. I also liked that this source was only a year old because it allows a more complete perspective of the event to be seen through many years of research.

Johnston, David. "McFarlane Is Fined \$20,000 and Sentenced to 2 Years' Probation." *The New York Times*. 4 March 1989, 10.

This article outlining the outcome of McFarlane's trial could be a very reliable secondary source. Can be used to help sum up the rest of the paper along with build on previous sources to help create an image of what the trial was like and what entailed.

Kornbluh, Peter. *The Iran-Contra Scandal: The Declassified History (The National Security Archive Document)*. New York: New Press, 1993.

This book contains over 100 documents concerning the Iran-Contra scandal, covering the period from Reagan's original presidential finding on December 1, 1981 to Bush's grant of executive clemency on December 24, 1992. With contextual introductions, a helpful chronology of key events, and a glossary of major participants, the volume sets forth the documents relevant to this major controversy in contemporary American politics. The book also argues with and in contention to one of the previous sources *A Very Thin Line* to provide me great examples and factual evidence to help solidify the arguments I am going to make in my paper. Although some of the material could be used as a primary source I found that a majority of it would fall under the secondary sources.

Ledeen, Michael. *Perilous Statecraft: An Insider's Account of the Iran-Contra Affair*. New York, NY: Charles Scribner's Sons, 1988.

(See above)

McFarlane, Robert. "Letters to the Editor." *The Economist*, July 1991, 4-6.

Letters from Bud McFarlane outlining his involvement and commenting on allegations that he lied in front of the senate congressional hearings on the issue of the Iran-Contra affair. This source will be very important to help support the arguments in the paper and could also be used as a primary source of information.

"The Iran-Contra Report: Chronology; After 13 Years of Hide-and-Seek, a Bitter Chapter of U.S. History Ends." *New York Times*. 19 January 1994, 8.

This source is an extensive overview of the Iran-Contra affair including in-depth analysis of the operations, politics, agreements, people, and issues that arose from the situation. Commentary on McFarlane and the overall political situation will provide a good source of supporting information.

"Fishy Justice for Iran-Contra." *New York Times*. 20 November 1991, 26.

Robert McFarlane, a national security adviser to President Reagan, helped his former aide Oliver North beat a criminal rap by testifying that he had been confused. Now Mr. North, by claiming similar confusion, has helped another former Reagan national security adviser, John Poindexter, beat a similar rap. If that sounds fishy, it is; but the U.S. Court of Appeals in Washington calls it justice. Only the Supreme Court can straighten out the law. If it has the will

it can restore the opportunity to protect two vital interests, the individual's right to a fair trial and the public's right to trust its government.

“Iran-contra: Reagan's Role” *Newsweek*. 27 March 1989, 6.

This source is an excellent secondary source as it provides background on the situation from a heightened level in American Politics. It also shows the connection the McFarlane had to Reagan and also shows how corrupt the internal circle of the President was during the Iran Contra Affair. This source will be used to help supporting arguments and build a case of fact against McFarlane that he was withholding information from the congressional hearing committees.

Walsh, Lawrence E.. *Firewall: The Iran-Contra Conspiracy and Cover-Up*. New York: W. W. Norton & Company, 1998.

Walsh's book, although rich with information, is very detailed and seems to be incredibly biased. Walsh was the independent counsel for the Iran-Contra investigation from 1986 to 1993 making his arguments valued although meaty. This source will be used primarily as a reference to follow up on supporting evidence.