


Y 1.1/2:Serial 13741

100-1: United States Congre...

Government
Documents

SUPERINTENDENT OF DOCUMENTS
DEPOSITORY
MAY 2 1990
BOSTON PUBLIC LIBRARY
GOVERNMENT DOCUMENTS DEPARTMENT

BOSTON
PUBLIC
LIBRARY



Senate Report

No. 216



IRAN-CONTRA INVESTIGATION
APPENDIX A, VOLUME 2
SOURCE DOCUMENTS

United States Congressional Serial Set

Serial Number 13741

Report of the Congressional Committees Investigating the

Iran-Contra Affair

Appendix A: Volume 2
Source Documents

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

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

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

November 13, 1987.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed.

November 17, 1987.—Ordered to be printed.

DANIEL K. INOUE HAWAII CHAIRMAN
 WARREN RUDMAN, NEW HAMPSHIRE VICE CHAIRMAN
 GEORGE J. MITCHELL MAINE JAMES A. MCCLURE IDAHO
 SAM NUNN GEORGIA GERRIN C. HATCH UTAH
 PAUL S. LOBBERS' MARYLAND WILLIAM S. COHEN MAINE
 HOWELL T. HEPFIN ALABAMA PAUL S. TIBBLE VA VIRGINIA
 DAVID L. BORNEN DELAWARE

ARTHUR I. LIMAN
 CHIEF COUNSEL
 MARK A. BELNICK PAUL BARBADORO
 EXECUTIVE ASSISTANT DEPUTY CHIEF COUNSEL
 TO THE CHIEF COUNSEL
 MARY JANE CHECCHI
 EXECUTIVE DIRECTOR
 ASSOCIATE COUNSELS

CH. ALBRIGHT JR. JOEL P. LISER
 DANIEL FINK RICHARD D. PASEY
 C.H. HOLMES JOHN D. SARDON
 CHARLES W. LEHR TERRY A. SMILLANCH
 JAMES E. KAPLAN TIMOTHY C. WOODCOCK

United States Senate
 SELECT COMMITTEE ON SECRET MILITARY
 ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION
 WASHINGTON, DC 20510-6480

March 1, 1988

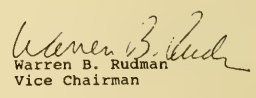
Honorable John C. Stennis
 President pro tempore
 United States Senate
 Washington, D.C.

Dear Mr. President:

We have the pleasure to transmit herewith, pursuant to Senate Resolution 23, Appendix A to the final Report of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. We will submit such other volumes of Appendices to the Report as are authorized and as they become available.

Sincerely,


 Daniel K. Inoué
 Chairman


 Warren B. Rudman
 Vice Chairman

LEE H. HAMILTON, INDIANA, CHAIRMAN
DANTE B. PASCELLI, FLORIDA, VICE CHAIRMAN
THOMAS S. ROLEY, WASHINGTON
PETER W. RODINO, JR., NEW JERSEY
JACK BROOKS, TEXAS
LOUIS STUBBS, OHIO
TIS ASPIN, WISCONSIN
EDWARD P. BOLAND, MASSACHUSETTS
ED JENNINGS, GEORGIA

JOHN W. NIELDS, JR., CHIEF COUNSEL
W. NER. EGGLESTON, DEPUTY CHIEF COUNSEL
CASEY MILLER, STAFF DIRECTOR

DICK CHENEY, WYOMING
WM. S. BRADCFIELD, MICHIGAN
HENRY J. HYDE, ILLINOIS
JIM COOPER, NEW JERSEY
BILL MCCOLLUM, FLORIDA
MICHAEL DUB-NE, OHIO

THOMAS R. OMERON, MINORITY STAFF DIRECTOR
GEORGE VAN CLEVE, CHIEF MINORITY COUNSEL
RICHARD LEON, DEPUTY CHIEF MINORITY COUNSEL

U.S. HOUSE OF REPRESENTATIVES

SELECT COMMITTEE TO INVESTIGATE
COVERT ARMS TRANSACTIONS WITH IRAN
UNITED STATES CAPITOL
WASHINGTON, DC 20515
(202) 225-7902

March 1, 1988

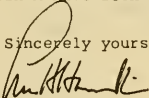
The Honorable Jim Wright
Speaker of the House
U. S. Capitol
Washington, D. C. 20515

Dear Mr. Speaker:

Pursuant to the provisions of House Resolutions 12 and 330 and House Concurrent Resolution 195, 100th Congress, 1st Session, I transmit herewith Appendix A to the Report of the Congressional Committees Investigating the Iran-Contra Affair, House Report No. 100-433, 100th Congress, 1st Session.

Appendix A consists of the Source Documents cited or referred to in the footnotes and other references of the Report. All contents of Appendix A have been declassified for release to the public.

Sincerely yours,


Lee H. Hamilton
Chairman

United States Senate

**Select Committee on Secret Military Assistance
To Iran and the Nicaraguan Opposition**

Daniel K. Inouye, Hawaii, *Chairman*
Warren Rudman, New Hampshire, *Vice Chairman*

George J. Mitchell, Maine
Sam Nunn, Georgia
Paul S. Sarbanes, Maryland
Howell T. Heflin, Alabama
David L. Boren, Oklahoma

James A. McClure, Idaho
Orrin G. Hatch, Utah
William S. Cohen, Maine
Paul S. Trible, Jr., Virginia

Arthur L. Liman
Chief Counsel

Mark A. Belnick Paul Barbadoro
Executive Assistant *Deputy Chief Counsel*
To the Chief Counsel

Mary Jane Checchi
Executive Director

Lance I. Morgan
Press Officer

United States House of Representatives
Select Committee to Investigate Covert Arms
Transactions with Iran

Lee H. Hamilton, Indiana, *Chairman*
Dante B. Fascell, Florida, *Vice Chairman*

Thomas S. Foley, Washington
Peter W. Rodino, Jr., New Jersey
Jack Brooks, Texas
Louis Stokes, Ohio
Les Aspin, Wisconsin
Edward P. Boland, Massachusetts
Ed Jenkins, Georgia

Dick Cheney, Wyoming, *Ranking Republican*
Wm. S. Broomfield, Michigan
Henry J. Hyde, Illinois
Jim Courter, New Jersey
Bill McCollum, Florida
Michael DeWine, Ohio

John W. Nields, Jr.
Chief Counsel

W. Neil Eggleston
Deputy Chief Counsel

Kevin C. Miller
Staff Director

Thomas R. Smeeton
Minority Staff Director

George W. Van Cleve
Chief Minority Counsel

Richard J. Leon
Deputy Chief Minority Counsel

United States Senate

Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition

Arthur L. Liman
Chief Counsel

Mark A. Belnick
*Executive Assistant
to the Chief Counsel*

Paul Barbadoro
Deputy Chief Counsel

Mary Jane Checchi
Executive Director

Lance I. Morgan
Press Officer

Associate Counsels

C. H. Albright, Jr.
Daniel Finn
C. H. Holmes
James E. Kaplan
Charles M. Kerr
Joel P. Lisker

W. T. McGough, Jr.
Richard D. Parry
John D. Saxon
Terry A. Smiljanich
Timothy C. Woodcock

Committee Staff

Assistant Counsels

Steven D. Arkin*
Isabel K. McGinty
John R. Monsky
Victoria F. Nourse
Philip Bobbitt
Rand H. Fishbein
Thomas Polgar
Lawrence R.
Embrey, Sr.

Legal Counsel Intelligence/Foreign Policy Analysts Investigators

David E. Faulkner
Henry J. Flynn
Samuel Hirsch
John J. Cronin
Olga E. Johnson
John C. Martin
Melinda Suddes*
Robert Wagner

Press Assistant General Accounting Office Detailees

Louis H. Zanardi
Benjamin C.
Marshall

Security Officer

Georgiana
Badovinac
David Carty
Kim Lasater
Scott R. Thompson
Judith M. Keating*
Scott R. Ferguson

Chief Clerk Deputy Chief Clerk

Staff Assistants

John K. Appleby
Ruth Balin
Robert E. Esler
Ken Foster*
Martin H. Garvey
Rachel D. Kaganoff*
Craig L. Keller
Hawley K.
Manwarring
Stephen G. Miller
Jennie L. Pickford*
Michael A. Raynor
Joseph D.
Smallwood*

Administrative Staff

Kristin K. Trenholm
Thomas E. Tremble
Bruce Vaughn
Laura J. Ison
Hilary Phillips
Winifred A. Williams*
Nancy S. Durlinger
Shari D. Jenifer
Kathryn A. Momot
Cindy Pearson
Debra S. Sheffield*
Ramona H. Green
Preston Sweet

Secretaries

Receptionist Computer Center Detailee

Committee Members' Designated Liaison

<i>Senator Inouye</i>	Peter Simons	<i>Senator Boren</i>	Sven Holmes
<i>Senator Rudman</i>	William V. Cowan		Blythe Thomas
	Thomas C. Polgar	<i>Senator McClure</i>	Jack Gerard
<i>Senator Mitchell</i>	Richard H. Arenberg	<i>Senator Hatch</i>	Dee V. Benson
	Eleanore Hill	<i>Senator Cohen</i>	James G. Phillips
<i>Senator Nunn</i>	Jeffrey H. Smith		James Dykstra
<i>Senator Sarbanes</i>	Frederick Millhiser	<i>Senator Tribble</i>	L. Britt Snider
<i>Senator Heflin</i>	Thomas J. Young		Richard Cullen

Part Time*

<i>Assistant Counsel</i>	Peter V. Letsou	<i>Document Analyst</i>	Lyndal L. Shaneyfelt
<i>Hearings Coordinator</i>	Joan M. Ansheles	<i>Historian</i>	Edward L. Keenan
<i>Staff Assistants</i>	Edward P. Flaherty, Jr.	<i>Volunteers</i>	Lewis Liman
	Barbara H. Hummell		Catherine Roe
<i>Interns</i>	David G. Wiencek		Susan Walsh
	Nona Balaban		
	Edward E. Eldridge, III		
	Elizabeth J. Glennie		
	Stephen A. Higginson		
	Laura T. Kunian		
	Julia F. Kogan		
	Catherine L. Udell		

*The staff member was not with the Select Committee when the Report was filed but had, during the life of the Committee, provided services.

United States House of Representatives

Select Committee to Investigate Covert Arms Transactions with Iran

Majority Staff

John W. Nields, Jr.
Chief Counsel

W. Neil Eggleston
Deputy Chief Counsel

Kevin C. Miller
Staff Director

*Special Deputy
Chief Counsel
Staff Counsels*

Charles Tiefer

*Systems
Administrator*

Catherine L.
Zimmer

Kenneth M. Ballen

Systems

Charles G. Ratcliff

Patrick J. Carome

Programmer/

Stephen M.

V. Thomas

Analysts

Rosenthal

Fryman, Jr.

Executive Assistant

Elizabeth S. Wright

Pamela J.

Staff Assistants

Bonnie J. Brown

Naughton

Christina Kalbous

Joseph P. Saba

Sandra L. Koehler

Robert J. Havel

Jan L. Suter

Press Liaison

Ellen P. Rayner

Katherine E. Urban

Chief Clerk

Debra M. Cabral

Kristine Willie

Assistant Clerk

Louis Fisher

Mary K. Yount

Research Director

Christine C.

Research Assistants

Birmann

Julius M.

Genachowski

Ruth D. Harvey

James E. Rosenthal

Minority Staff

Thomas R. Smeeton
Minority Staff Director

George W. Van Cleve
Chief Minority Counsel

Richard J. Leon
Deputy Chief Minority Counsel

*Associate Minority
Counsel*

Robert W.
Genzman

*Minority Staff
Editor/Writer*

Michael J. Malbin

*Assistant Minority
Counsel*

Kenneth R. Buck

*Minority Executive
Assistant*

Molly W. Tully

*Minority Research
Director*

Bruce E. Fein

*Minority Staff
Assistant*

Margaret A.
Dillenburg

Committee Staff

<i>Investigators</i>	Robert A. Birmingham James J. Black Thomas N. Ciehanski William A. Davis, III Clark B. Hall Allan E. Hobron Roger L. Kreuzer Donald Remstein Jack W. Taylor Timothy E. Traylor	<i>Security Officers</i>	Rafael Luna, Jr. Theresa M. Martin Milagros Martinez Clayton C. Miller Angel R. Torres Joseph Foote Lisa L. Berger Nina Graybill Mary J. Scroggins David L. White Stephen G. Regan G. R. Beckett
<i>Director of Security</i>	Bobby E. Pope	<i>Editor</i>	
		<i>Deputy Editor</i>	
		<i>Associate Editor</i>	
		<i>Production Editor</i>	
		<i>Hearing Editors</i>	
		<i>Printing Clerk</i>	

Associate Staff

<i>Representative Hamilton</i>	Michael H. Van Dusen	<i>Representative Boland</i>	Michael W. Sheehy
<i>Representative Fascell</i>	Christopher Kojm R. Spencer Oliver Bert D. Hammond Victor Zangla	<i>Representative Jenkins</i>	Robert H. Brink
<i>Representative Foley</i>	Heather S. Foley Werner W. Brandt	<i>Representative Broomfield</i>	Steven K. Berry David S. Addington Diane S. Dornan
<i>Representative Rodino</i>	M. Elaine Mielke James J. Schweitzer	<i>Representative Hyde</i>	Dennis E. Teti
<i>Representative Brooks</i>	William M. Jones	<i>Representative Courter</i>	Tina L. Westby
<i>Representative Stokes</i>	Michael J. O'Neil Richard M. Giza	<i>Representative McCollum</i>	Nicholas P. Wise
<i>Representative Aspin</i>	Richard E. Clark Warren L. Nelson	<i>Representative DeWine</i>	
		<i>General Counsel to the Clerk</i>	Steven R. Ross



Contents

Note to Reader:

This volume contains certain source documents cited in the footnotes to the Report. These documents are grouped by chapter and labeled according to their chapter and footnote numbers.

Source documents that are available in the *Hearings* and *Deposition* volumes, from public sources, still classified, or otherwise unavailable are not included.

The Preface explaining the various types of documents in this volume begins on p. xiii.



Preface

This volume contains much of the documentary evidence—letters, memorandums, transcripts of telephone calls, and other materials—that underlies many of the factual statements made in the *Report of the Congressional Committees Investigating the Iran-Contra Affair*. The *Report* is a joint publication 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. The complete database for all factual statements made in the *Report* and referenced in its footnotes consists of the following:

- Source documents, contained in this volume.
- Published sources, referenced in the footnotes of the *Report* but not reprinted by the two Select Committees.
- Hearings before the two Select Committees, which are published separately in 11 volumes as the *Iran-Contra Investigation: Joint Hearings 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*, 100th Cong. 1st Sess. (1987).
- Depositions taken by the two Select Committees, which are published as *Report of the Congressional Committees Investigating the Iran-Contra Affair, Appendix B: Depositions*, H. Rept. No. 100-433, S. Rept. No. 100-216, 100th Cong., 1st Sess. (1987).
- Exhibits prepared by the Select Committees or by witnesses or other persons and submitted for the record. All exhibits mentioned in the *Hearings* and most of those referenced in the *Depositions* are contained in those respective volumes.

Explanations follow of: source materials found in this volume; testimony; depositions; exhibits; interviews; published sources; and abbreviations, acronyms, and initials

Major Source Materials

The Select Committees relied heavily on sworn testimony and documentary evidence in compiling their final *Report*. Brief descriptions of the major sources appear here, and more detailed descriptions of some of the sources follow later in this Preface.

Testimony: Sworn testimony (testimony taken under oath) consisted of two kinds. Testimony taken in the joint hearings is referred to as “Test.” in the footnotes, and testimony taken as depositions is referred to as “Dep.” in the footnotes. Fuller explanations of these kinds of testimony appear below.

Documents: In most cases, miscellaneous documents referred to in the footnotes are published in this volume. Usually a Bates identification number appears in the footnote, e.g., N 2816. The identification number will assist researchers

who wish to find the complete original document in the Select Committees papers stored with the National Archives and Records Administration. Access to Select Committees papers is subject to the respective rules of the House and Senate.

Interviews: Select Committees' staff interviewed a number of people on an unsworn basis. Most interviews were summarized in memorandums. The memorandums of the interviews referred to in the footnotes of the *Report* are stored with the National Archives.

PROF Note: These Notes were computerized interoffice messages carried over the White House's Professional Office Services system. National Security Council staff were provided with equipment to send and receive PROF Notes in their offices and in some cases in their homes. In many instances, messages sent over the PROF system were archived in White House computers and were retrieved by White House personnel and provided to the Select Committees. Footnote references to PROF Notes include the date and time (in military time) and the Bates document identification number. Most PROF Notes referred to in the footnotes are published in this volume.

KL-43 Messages: These messages were sent over telephone lines through use of a computerized instrument that encrypted the message at the sender's end and decoded it at the receiver's end. The system was portable and could be carried to remote locations. Most KL-43 messages referenced in the footnotes are published in this volume.

Israeli Historical Chronology: The Iranian Transactions—A Historical Chronology. The Committees entered into an agreement with the State of Israel whereby Israel agreed to prepare and provide a historical chronology detailing the role of Israel and individual Israelis in the Iran initiative from 1985 through 1986. Israel was unwilling to waive its privileges of State secrecy and sovereign immunity and permit its officials and citizens to be questioned by the Committees. In lieu of interviews or testimony, and without waiver, Israel agreed to conduct interviews of Israeli nationals and reviewed certain documents. With the specific agreement of the Government of Israel, information from the Israeli chronologies is used in this Report. By agreement between the Committees and the Government of Israel, the chronology remains classified.

Part I covers Israeli shipments of arms to Iran from August 1985 through November 1985. Part II covers U.S. arms shipments and Israeli participation in the arms transaction from December 1985 to the time of disclosure in November 1986. The Select Committees received Part II in July 1987, after public hearings were under way.

Israeli Financial Chronology: A Financial Chronology of the Iranian Transactions (April 26, 1987). At the request of the Select Committees, the Israeli Government also agreed to prepare from unsworn interviews of Israeli citizens a financial chronology. The document covers the money trail leading from the initial Israeli arms shipment to Iran in August 1985. By agreement, the document remains classified.

Other Source Documents

Tower Report: On December 1, 1986, President Reagan established the President's Special Review Board to examine the role of the National Security Coun-

cil staff in national security operations, including arms transfers to Iran. The Board consisted of John Tower, Chairman, Edmund Muskie, and Brent Scowcroft. The Board and staff interviewed numerous individuals in and out of the Federal Government, but did not have authority to issue subpoenas or compel testimony. The Board issued its report—an examination of NSC operations, a narrative of the Iran-Contra Affair, and recommendations—3 months later. The full title is *Report of the President's Special Review Board*, John Tower, Chairman (Washington: Government Printing Office, February 26, 1987).

Tower Interviews (sometimes referred to as Tower Testimony): The Tower Board conducted unsworn interviews with 53 individuals. These people included former Assistants to the President for National Security, National Security Council Members, former Presidents, and Central Intelligence Agency employees. Interviews cited in the Report but not appearing in the *Source Documents* volume are filed with the Committees' papers at the National Archives.

Hearings

The Select Committees held 44 days of joint hearings and questioned 28 witnesses publicly. Public hearings began May 5, 1987, and ended August 3, 1987. Four witnesses—Central Intelligence Agency employees—testified in executive session. House Reporters transcribed all proceedings and the Senate Recording Studio videotaped them. Two television networks, Cable News Network and C-SPAN, televised all the public hearings. Individual public television stations, ABC, CBS, and NBC broadcast portions of the hearings.

Every witness testified under oath either in response to a subpoena or an invitation or voluntarily. Legal counsel accompanied most witnesses. The enabling legislation empowered the Select Committees to compel testimony over fifth amendment objections by granting use immunity. Once the Select Committees obtained a court order, they could immunize witnesses against the use of their testimony in criminal prosecutions. Thus, any statements or admissions made by witnesses granted use immunity could not be used in a subsequent criminal proceeding, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the court order. The Select Committees granted use immunity to about 20 witnesses.

Committees Members, in consultation with Chief Counsels and staff, identified and selected witnesses and then developed specific lines of inquiry. At the hearings, questioning was led by attorneys from either the House Select Committee or the Senate Select Committee, depending on a prearranged division of witnesses. Both House and Senate Members pursued followup questions.

Original, hand-corrected transcripts, from which the published *Hearings* volumes were produced, have been filed by the Committees in the National Archives.

Depositions

The Select Committees, under authority contained in the resolutions establishing them (H. Res. 12 and S. Res. 23, respectively), deposed approximately 290 individuals over the course of their 10-month joint investigation.

The use of depositions enabled the Select Committees to take sworn responses to specific interrogatories, and thereby to obtain information under oath for the written record and develop lines of inquiry for the public hearings.

Select Committees Members and staff counsel, including House minority counsel, determined who would be deposed, then sought subpoenas from the Chairmen of the Select Committees, when appropriate, to compel the individuals to appear in nonpublic sessions for questioning under oath. Many deponents also received separate subpoenas ordering them to produce certain written documents.

Members and staff traveled throughout the United States and abroad to meet with deponents. All depositions were stenographically reported or tape recorded and later transcribed and authenticated. Deponents had the right to review their statements after transcription and to suggest factual and technical corrections to the Select Committees.

At the depositions, deponents could assert their fifth amendment privilege to avoid self-incrimination by refusing to answer specific questions. They were also entitled to legal representation. Most Federal Government deponents were represented by lawyers from their agency; the majority of private individuals retained their own counsel.

The Select Committees, after obtaining the requisite court orders, granted limited or "use" immunity to about 20 deponents. Such immunity means that, while a deposed individual could no longer invoke the fifth amendment to avoid answering a question, his or her compelled responses—or leads or collateral evidence based on those responses—could not be used in any subsequent criminal prosecution of that individual, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the court order.

An executive branch Declassification Committee, located in the White House, assisted the Committee by reviewing each page of deposition transcript and some exhibits and identifying classified matter relating to national security. Some depositions were not reviewed or could not be declassified for security reasons.

In addition, members of the House Select Committee staff corrected obvious typographical errors by hand and deleted personal and proprietary information not considered germane to the investigation.

In the *Depositions* volumes, some of the deposition transcripts are followed by exhibits. The exhibits—documentary evidence—were developed by Select Committees staff in the course of the Select Committees' investigation or were provided by the deponent in response to a subpoena. In some cases, where the number of exhibits was very large, the House Select Committee staff chose for inclusion in the *Depositions* volumes selected documents. All of the original exhibits are stored with the rest of the Select Committees' documents at the National Archives, and are available for public inspection subject to the respective rules of the House and Senate.

The 27 volumes of the *Depositions*, totalling more than 30,000 pages, consist of photocopies of declassified, hand-corrected typewritten transcripts and declassified exhibits. Deponents appear in alphabetical order.

Exhibits

Exhibits—personal papers, office memorandums, correspondence, corporate records, and miscellaneous documents—were an important source of information for the Select Committees. The Select Committees obtained some exhibits voluntarily, others through Committee-issued subpoenas. Primary sources for these exhibits were the White House, Department of State, Department of Defense, Central Intelligence Agency, Department of Justice, other Federal Government offices, and private parties.

During hearings, 1,092 exhibits were introduced, most often by the Select Committees. Occasionally, witnesses or deponents produced exhibits.

Exhibits presented during hearings are reproduced at the back of the *Hearings* volumes. Selected exhibits appear in the *Depositions* volumes at the conclusion of the relevant witness' statement. Some exhibits—extensive corporate records, for example—are not published in their entirety, but are stored in the Select Committees' records in the National Archives.

Like the testimony and depositions they accompanied, exhibits had to be reviewed by the White House Declassification Committee. Some exhibits remain classified and will not be published.

Interviews

Interviews were used to gather information, identify potential deponents and hearings witnesses, and explore new areas of investigation. Committee investigators, working individually or in teams, conducted most of the interviews. Interviewees were not subpoenaed and many volunteered information. Investigators interviewed, rather than deposed, individuals who had limited information or who were living in remote parts of the world. For instance, investigators conducted numerous telephone interviews with persons in Central America. In most cases, interviewees were not accompanied by counsel.

Investigators took notes of or recorded interviews and later summarized them into report memorandums. Report memorandums are not published in this volume; they have been deposited in the National Archives.

Published Sources

The Select Committees drew on both unpublished and published sources in preparing their final *Report*. Published sources (magazines, newspapers, books, Federal Government publications, and law journals) are not included in the *Source Documents* volume because they are available at libraries. They are listed here to indicate to readers and researchers the scope of the Select Committees' source materials. These sources are cited in the *Report* footnotes according to *A Uniform System of Citation* (Harvard Law Review Association, 14th Edition).

Magazines

Congressional Quarterly Almanac 1984
Journal of Intelligence and Counterintelligence
Newsweek
The New Republic
The Public Interest
The Washingtonian
U.S. News and World Report

Newspapers

Associated Press
Baltimore Sun
Boston Globe
Chicago Tribune
Dallas Morning News
Guardian (Manchester)
Los Angeles Times
Miami Herald
San Diego Union
The New York Times
The Washington Post
Wall Street Journal
Washington Times

Books

Borchard, *The Diplomatic Protection of Citizens Abroad* (1915)
Cline, R.S., *The CIA Under Reagan, Bush and Casey* (1981)
Colby, W.E., *Honorable Men: My Life in the CIA* (1978)
Corwin, E., *The Constitution and What it Means Today* (13th ed., 1975)
Corwin, E., *The President: Office and Powers 1787-1957* (No date)
Crosskev, W., *Politics and the Constitution* (1953)
Farrand, M., *The Records of the Federal Convention of 1787* (1937)
Federalist, *The*
Hamilton, Alexander, *Papers*
Jefferson, Thomas, *Writings*
Kent, S., *Strategic Intelligence for American World Policy* (1966)
Kirkpatrick, L. B., *The United States Intelligence Community: Foreign Policy and Domestic Activities* (1973)
Leary, W.M., ed., *The Central Intelligence Agency: History and Documents 131-33* (1984)
Maass, A., *Congress and the Common Good* (1983)
Madison, James, *Writings*
Meyer, C., *Facing Reality: From World Federalism to the CIA* (1980)
Moses, H., *The Clandestine Service of the Central Intelligence Agency 3-4* (1983)
Pogue, F. C., *George Marshall* (1973)
Powers, T., *The Man Who Kept the Secrets: Richard Helms and the CIA* (1979)

-
- Ranelagh, J., *The Agency: The Rise and Decline of the CIA* (1986)
Sick, G., *All Fall Down: America's Tragic Encounter with Iran* (1986)
Sofaer, A., *War, Foreign Affairs and the Constitution*
Thach, Jr., C.C., *The Creation of the Presidency* (1923)
Trevorton, C. F., *Covert Action: The Limits of Intervention in the Post-War World* (1987)
White, L., *The Federalists: A Study in Administrative History, 1789-1801* (1948)
Wise, D., *The American Police State* (1976)
Woodward, B., *Veil: The Secret Wars of the CIA: 1981-1987* (1987)
Wright, Q., *The Control of American Foreign Relations* (1922)

Government Publications

- Annals of Congress
Audit Report, Office of Inspector General, Department of State
Congressional Record
Congressional Research Service Report
Constitution of the United States
Hearings Before the Subcommittee on Europe and the Middle East, House Committee on Foreign Affairs
Hearings of the House Permanent Select Committee on Intelligence
Hearings of the Senate Select Committee on Intelligence
House Permanent Select Committee on Intelligence, Subcommittee on Legislation
House Report 122, 98th Congress, 1st Session
Intelligence Authorization Act, Fiscal Year 1984
Public Law 97-377, Defense Appropriations Act for Fiscal Year 1983
Public Papers of the President of the United States, Jimmy Carter
Public Papers of the President of the United States, Ronald Reagan
Report of the National Bipartisan Commission on Central America, Henry Kissinger, Chairman
Select Committee on Intelligence, Senate Report No. 665, 98th Congress, 2nd Session
Senate Select Committee to Study Governmental Operations, Final Report
State Department Bulletin
U.S. Departments of State and Defense, *The Challenge To Democracy in Central America*
U.S. Government Accounting Office, Report of the Chairmen, Senate and House Select Committees Investigating Iran Arms Sales, "Iran Arms Sales: Department of Defense Transfer of Arms to the CIA"
Weekly Presidential Documents

Law Journals

- American Journal of Jurisprudence
Publius
Texas Law Review
Vanderbilt Journal of International Law
West Virginia Law Review

Abbreviations, Acronyms, and Initials

Sources and footnotes in the *Report of the Congressional Committees Investigating the Iran-Contra Affair* often appear with the initials of individuals and acronyms and abbreviations of agencies, organizations, and other groups. The following list provides the full names for these shortened forms.

AECA:	Arms Export Control Act
AET:	A.M., Eastern Time
AH:	Albert Hakim
BG:	Code name for Oliver North
BGS:	Bretton G. Sciaroni
B. Sun:	Baltimore Sun
C/CATF:	Chief, Central American Task Force, Central Intelligence Agency
C.F.R.:	Code of Federal Regulations
CG:	Clair George
CIA:	Central Intelligence Agency
CINN:	CIA Document Control System
CJC:	Charles J. Cooper
C/NE:	Chief, Near East Division, Central Intelligence Agency
Comp. Gen.:	Comptroller General of the United States
Cong. Rec.:	Congressional Record
CSF:	Compagnie de Services Fiduciaries
CWW:	Caspar W. Weinberger
DCI:	Director of Central Intelligence
DCM:	Deputy Chief of Mission, U.S. Embassy
DC/NE:	Deputy Chief, Near East Division, Central Intelligence Agency
DDCI:	Deputy Director of Central Intelligence, Central Intelligence Agency
DDO:	Deputy Director of Operations, Central Intelligence Agency
DEA:	Drug Enforcement Administration
Dep.:	Deposition taken by the Select Committees
DIA:	Defense Intelligence Agency
DOA:	Department of the Army
DOD:	Department of Defense
DRC:	Duane (Dewey) R. Clarridge
DTR:	Donald T. Regan
EA:	Elliott Abrams
EATSCO:	Egyptian American Transport Company
EM:	Edwin Meese, III
Fed. Reg.:	Federal Register
FH:	Fawn Hall
FIR:	Felix I. Rodriguez

FY: Fiscal Year
GPO: Government Printing Office
GPS: George P. Shultz
HPSCI: House Permanent Select Committee on Intelligence
H. Rep.: House of Representatives Report
H. Res.: House Resolution
Int.: Interview
JCS: Joint Chiefs of Staff
JKS: John K. Singlaub
JMP: John M. Poindexter
KL-43: A device for sending secure telephone messages
LAT: Lewis A. Tambs
NHAO: Nicaraguan Humanitarian Assistance Office
NSC: National Security Council
NSDD: National Security Decision Directive
NSPG: National Security Planning Group
OEOB: Old Executive Office Building (also called EOB)
OLN: Oliver L. North
OSG: Operations Sub Group
PROF: Professional Office Services. An interoffice computer message
Pub. L.: Public Law
RCD: Robert C. Dutton
RCM: Robert C. McFarlane
RIG: Restricted Inter-agency Group
RVS: Richard V. Secord
RWO: Robert W. Owen
SAT: Southern Air Transport Company
SIG: Special Interagency Working Group
S/LPD: Office for Public Diplomacy for Latin America and the Caribbean
SNIE: Special National Intelligence Estimate
S. Rep.: Senate Report
S. Res.: Senate Resolution
SS: Stanley Sporkin
SSCI: Senate Select Committee on Intelligence
STTGI: Stanford Technology Trading Group International
TC: Tomas Castillo
TCS: Thomas C. Sinclair
Test.: Sworn testimony taken before the Select Committees in their joint hearings
TIWG: Terrorist Incident Working Group
U.S.C.: United States Code

Publications of the Senate and House Select Committees

Report of the Congressional Committees Investigating the Iran-Contra Affair,
1 volume, 1987.

Appendix A: *Source Documents*, 2 volumes, 1988.

Appendix B: *Depositions*, 27 volumes, 1988.

Appendix C: *Chronology of Events*, 1 volume, 1988.

All publications of the Select Committees are available from the U.S.
Government Printing Office.

CHAPTER 15. THE DIVERSION

15-10

See Hearing Exhibit OLN-51

Chapter 15, Footnote 56

The Director of Central Intelligence
Washington, D.C. 20505

UNCLASSIFIED

C 184

National Intelligence Council

NIC 00672-87
13 February 1987

15-56

MEMORANDUM FOR: Carroll L. Hauver
Inspector General

FROM: Charles E. Allen
National Intelligence Officer for Counterterrorism
Chief, Intelligence/Counterterrorism Center

SUBJECT: Addendum to Statement of NSC Initiative on Iran

1. At the suggestion of the Deputy Inspector General, I am providing additional details on certain aspects of my involvement in the Iranian initiative. These additional details are being offered as a result of my recalling in greater detail certain aspects of the initiative and of having my memory refreshed through review of papers and discussions with other Agency officials involved in the initiative.

2. I now recall that on 13 and 26 January 1986 Manucher Ghorbanifar, the Iranian intermediary involved in the Iranian initiative, made comments to the effect that he could obtain money for the Contras if the Agency supported him in thwarting terrorist attacks against countries [redacted]. Even though a review of my notes confirms that he made statements to this effect, I did not include those comments in the memoranda I prepared because they seemed both far fetched and trivial. For example, he commented in January that by working with the Agency and [redacted] he could thwart a plot underway to smuggle several hundred pounds of explosives [redacted].

From his perspective, he said [redacted] would be happy to receive such help and would reward him handsomely as well as be willing to supply funds to "Ollie's boys in Central America". Because my objective was to collect terrorist-related information that Ghorbanifar had [redacted] the statements that funds could be collected for the Contras seemed so preposterous that I did not give them any consideration whatsoever. I did record in-depth all information that he was willing to provide on terrorists, terrorist groups, or terrorist plots, including the alleged plot [redacted]. Again, my focus in discussions with Ghorbanifar were directed at terrorist activity. Funding for the Contras in Central American was not a consideration, even remotely. I only recalled the comments made by Ghorbanifar after talking with the Inspector General's staff in late November.

Working Draft of [redacted] on 11 Jan 1988
E.O. 12958
National Security Council

CL BY [redacted]
DECL OADR

4176a

UNCLASSIFIED

NUM 0115

UNCLASSIFIED

C 185

3. I also wish to clarify for the record a question put to me during my interview with you and other members of your staff in November. At that time, and in a subsequent memorandum prepared by a member of your staff, it was noted that Richard Kerr, Deputy Director of Intelligence, initially thought that he recalled I had told him as early as May 1986 that I believed funds were being diverted from the Iranian initiative to the Contras in Central America. I discussed the Iran initiative with Mr. Kerr several times during the summer and fall of 1986, essentially in the context of the problems of operational security of the initiative. I want to state emphatically, however, that the earliest I could have made comments relating to possible diversion of funds to the Contras to Mr. Kerr was in late August 1986.

4. It is my understanding now from discussions with Mr. Kerr that he believes that our conversation on the initiative and my alluding to possible diversion of funds to the Contras likely occurred in the August timeframe, although he does not recall a specific date. I want to reemphasize that I had not reached any judgments in the May timeframe that funds were being diverted to anti-Sandinista forces in Central America. It was only in late August 1986 that I began to suspect that funds were going to Central America.

Charles E. Allen
Charles E. Allen

cc: OGC
D/OCA

UNCLASSIFIED

01110 0615

CLASSIFIED AT TIME OF PUBLICATION.

TOP SECRET [redacted] NOFORN/NOCONTRACT/ORCON 09517
UNCLASSIFIED
Chapter 15
Footnote 63

National

C UNCLASSIFIED

September 1986

15-63

Partial Declassification Authority [redacted] 4/20/1993

MEMORANDUM FOR: Director of Central Intelligence
FROM: Charles Allen, Director, Hostage Location Task Force
SUBJECT: American Hostages

1. I met with Ollie North last night at his office on American hostages. Ollie had just returned from a meeting with John Poindexter on the same subject.

2. Poindexter has given Ollie new guidance on the American hostages, namely:

- [redacted] is to be held in abeyance until further notice.
- Ollie is to continue to develop [redacted] to the Iranian Government through Albert Hakim and Dick [redacted] of Stanford Technology Associates. (Hakim, as you are aware, has links to [redacted] [redacted] appears to be attempting to arrange for Ollie and George Cave to meet with Raed [redacted] [redacted] presumably with the next shipment of arms to Tehran.)
- Ghobanifar will be cut out as the intermediary in future shipments of cargos to Iran, if at all possible. To cut Ghobanifar out, Ollie will have to raise a minimum of \$4 million.
- If there is no other channel for financing future arms shipments, then Ghobanifar will be used as a last resort.

3. Ollie is greatly relieved by Poindexter's decisions because he feared that John and the President would shut down completely this back channel to Iran because of the kidnapping yesterday of Frank Reed. Ollie [redacted] that you immediately hold [redacted] in abeyance [redacted]

Reed released immediately

Charlie
Charles E. [redacted] **A** (4176b)

C11N 4029

CL BY [redacted]
DECL OADR

Executive Registry 19179

TOP SECRET [redacted] NOFORN/NOCONTRACT/ORCON

UNCLASSIFIED

N 09

- Ghorbanifar's financial situation is murky, indeed. [redacted] has claimed that he paid Ghorbanifar an additional \$8M in cash, an assertion that cannot be validated. 15-73

Regardless of who is cheating whom -- and we are not likely to be able to sort out these confused finances -- we face a situation where operational security has been forgotten and no one is prepared to deal with the issue.

Rapprochement with Iran:

The broader, strategic objective has become subordinated to the tactical matter of the American hostages in Lebanon. Notwithstanding, we have obtained useful insights into the factious government of Iran.

- [redacted] for example, has focussed on long-term US economic investment in Iran, in addition to arms supply.

We have not yet developed a viable plan of action to utilize this information. Talk about geo-strategic relations is cheap and easy; hard options on how to accomplish this are harder to come by.

The Ghorbanifar [redacted] Channel:

Ghorbanifar is depressed and claims his financial situation has been damaged. On several occasions, he has said he would not sit idly by and permit himself to be made the "fall guy" in this matter. He claims to have given written accounts of all that has transpired to several persons in America and Europe. He has directed these individuals to make this material available to the press in the event that "something bad" befalls him. We believe this account would include statements to the effect that:

- the Government of the United States sold military materiel to the Government of Iran in order to gain the release of American hostages in Lebanon;
- a high-ranking US delegation met in Tehran with representatives of the Iranian government in order to discuss the future relations between the two countries, with various cooperative ventures discussed;

-5-
UNCLASSIFIED

UNCLASSIFIED

N

10

- the US Government made several promises to him (Ghorbanifar) that it failed to keep; and,
- the Government of the United States, along with the Government of Israel, acquired a substantial profit from these transactions, some of which profit was redistributed to other projects of the US and of Israel.

There is also likely to be material alleging poor judgement and shabby conduct by individuals of the US and Israeli governments.

Recommendations:

We face a disaster of major proportions in our efforts with Iran despite the apparent promise of the Hakim [REDACTED] channel. Too many know too much, and exposure, at a minimum, would damage the new channel badly, perhaps fatally.

- Rafsanjani cannot permit himself to be seen as dealing directly with the "Great Satan".

Exposure would make any movement on the hostages difficult, if not impossible.

- It is clear from [REDACTED] comments that he does not have total control over the Lebanese Shia holding the American hostages.

Because the risk of exposure is growing daily, the following actions are recommended:

(A) Establish a Senior-Level Planning Cell at the White House to focus on the potential for rapprochement with Iran, the appropriate channels to be used, and the separation of the tactical hostage issue from the long-term strategic objective.

This group could consist of two or three experts and should be headed by someone with the stature of a Henry Kissinger, a Hal Saunders, a Don Rumsfeld, or a Dick Helms.

The group should have access to all data concerning the ongoing initiative(s), including White House records and the [REDACTED]

UNCLASSIFIED

UNCLASSIFIED

N 11

(B) Develop Press Guidance in the Event of an Exposure.

We have no coordinated press guidance on how to deal with the Iranian initiative should it be exposed publicly. Press guidance must be prepared now. At least one, possibly two major US journalists have bits and pieces of the hostage story and know that Ghorbanifar was involved in it.

- The Israelis have exposed some of this.
- Khashoggi and the Canadian financiers are complaining to influential US individuals.

We could soon have an incredible mess on our hands and damage limitation must be addressed now in an orderly, systematic manner.

(C) Effect an Orderly, Damage-limiting Shutdown of the Ghorbanifar Channel. It is unlikely we could totally discredit any revelations by Ghorbanifar; he has too much documentary evidence that implicates US officials.

- Hakim has suggested that means be found to "buy off" Ghorbanifar.
- Perhaps we can engage Ghorbanifar otherwise, in non-hostage-related projects -- say, in the area of Iranian, Libyan, and Syrian sponsored terrorism.

A small working group of those knowledgeable of the Ghorbanifar Channel should meet to consider how to cope with this problem. Clearly, there are some personal things that can be done for Ghorbanifar, for example:

- Arrange permanent alien residency for his girl friend in California.
- Arrange for visas for his family so they can visit relations in the United States, and so his mother can obtain medical treatment here.

These steps will not alleviate Ghorbanifar's financial problems -- regardless of their merit -- but may dispose him more kindly to the US Government and lessen his inclination to expose the Iranian initiative.

-7-
UNCLASSIFIED

15-76

See Hearing Exhibit OLN-315

C 09370

UNCLASSIFIED

Chapter 15
Footnotes 79 and 8c

C

Partially Declassified on 11 Jan 1988
Under provision of E.O. 12258
by Director, National Security Council

15-79+80

7 November 1986

MEMORANDUM FOR THE DIRECTOR, Central Intelligence Agency
Director of Central Intelligence

FROM: Charles E. Allen
National Intelligence Officer for Counterterrorism

SUBJECT: Meeting with Roy M. Furmark

1. Roy M. Furmark, head of Adnan Khashoggi's New York operations, called on 5 November 1986 to request an urgent meeting with me in Washington. I met with Roy on the afternoon of 6 November at the Key Bridge Marriott Hotel. He provided further information on the fallout that is occurring with the shutdown of the Ghobanifar channel. The following are highlights of the conversation with Roy:

a. The Canadian investors who set up \$11 million to finance the arms transactions with Iran have retained a Washington law firm to bring suit against Khashoggi and the offshore company Lakeside, the firm into which they paid the \$11 million to cover the cost of Hawk missile parts. The Canadians told Roy that they would bring suit against Khashoggi and Lakeside on Monday, 10 November, and that they intended to implicate in the litigation directly senior levels of the US Government. Roy claimed, however, that the Canadians had agreed--at his request--to withhold filing the suit until 17 November.

b. After the release of Jacobson, the Canadians began to press Ghobanifar and Khashoggi for repayment of the money owed. Ghobanifar told the Canadians that the latest transaction did not involve him in any way and that the United States was "dealing direct" with the Iranian Government.

c. The Canadians tend to believe Ghobanifar because they have heard their lawyers block Ghobanifar's account in Credit Suisse. If funds had been transferred into Ghobanifar's account in repayment of the arms sold to Iran, Credit Suisse would have automatically transferred the funds to the Canadians' account in the Bank of Montreal.

A

4176c

CIIN 3975

UNCLASSIFIED

TS 3538-86
Copy 1 of 6

Executive Registry 19795

CL BY [redacted]
DECL OADR FM SISR VOL I

TOP SECRET//SI//NF//NF//NF//NF
UNCLASSIFIED

C09371

d. The Canadians are extremely angry, they are pressing Khashoggi hard. They believe that the Iranian Government has paid money to some of the suppliers of additional arms having been sent to Iran. They believe that Jacobson's release could only have resulted from another arms transaction with Iran.

e. The Canadians involved are Douglas Fraser, a financier who operates out of the Cayman Islands, and Ed Miller, who operates out of Los Angeles and Vancouver. The third individual involved in the investment is a swami (who could not remember his name) who lives in Los Angeles. The swami knows a number of prominent Congressmen (Cranston was mentioned) and even advises the Sultan of Brunei. The swami has counseled Fraser and Miller to be patient, but the two Canadians are now determined to recover their money.

f. The Canadians intend to expose fully the US Government's role in the backchannel arms transactions with Iran. They believe Lakeside to be a proprietary of the US Government; they know that former Major General Richard Secord is heavily involved in managing the arms transactions to Iran for Oliver L. North, and that Secord is also involved in assisting North in the support the Contras in Nicaragua.

g. When the Canadians originally put up the money after negotiations with Khashoggi and Ghobanifar, they believed the effort was formally sanctioned by the US Government. They are not concerned about the politics of the US-Iranian equation; they simply want repayment of \$10 million. Miller, a tough and sleek individual, is especially determined to get his money back.

h. In addition to bringing suit against Lakeside and Khashoggi and exposing US Government involvement in the arms transactions, the Canadians intend to use the swami to lobby key Congressmen. The Canadians believe that they have been swindled and that the money paid by Iran for the arms may have been siphoned off to support the Contras in Nicaragua. The Canadians originally expected to be repaid in thirty days; it has now been six months and they have received only \$1.1 million.

i. While Ghobanifar managed the channel to Tehran, he coordinated his initiatives in a variety of ways with all significant factions in Iran. Clearly, whoever is running the new channel has failed to do so, a devastating mistake.

2. Roy stated that he would endeavor to identify the law firm that the Canadians have retained and would call me on 7 November. It is my understanding that the law firm in question at one time had been involved in a matter involving President Nixon. The Canadians have told Khashoggi that they have already lost \$6 million as a result of their ill-fated investment. As a part, Khashoggi is demoralized and is unable to correct the situation on his own financial difficulties. Ghobanifar, according to Roy, has spent large sums of his own personal fortune over the past 18 months. Roy's effort described Ghobanifar as an excellent broker with extraordinarily high-level contacts in Western Europe, the Middle East, and Iran. Ghobanifar, however, is angry and bitter and his health is now impaired.

CIN 3975

TOP SECRET//SI//NF//NF//NF//NF
UNCLASSIFIED

Executive Registry 19796

C 09372

TOP SECRET, SENSITIVE, EYES ONLY

UNCLASSIFIED

3. Roy has no specific suggestions on how to solve the financial problem. Somehow \$10 million should be paid into Ghobanifar's account in Credit Suisse (Account Number 283838-92-1). Because Ghobanifar's account in Credit Suisse is totally blocked, the money would simply be transferred to the Canadians. All the Canadians have are checks from Ghobanifar and Khashoggi—checks that are worthless. Roy reaffirmed that Ghobanifar and Khashoggi have been able to pay off the other investor—an Arab who paid \$5 million. Roy stated that he and Khashoggi may see the Canadians in Dubai in the near future to request more time, but they were not sanguine that a meeting would result from such a meeting.

4. The Canadians have told Roy that they had kept their word keeping these transactions totally secret, but now felt no compunction to do so in the future in view of media exposure of the MacFarlane trip. Roy stated that he personally felt responsible for persuading Khashoggi to help finance these transactions. The effort had taken considerable courage both on the part of both Ghobanifar and Khashoggi. In Roy's opinion if the transactions had proceeded as planned in July 1986, the hostage issue would have been resolved by now. The apparent switching to another channel by the United States in dealing with the Iranian Government, however, had destroyed this process. The current publicity about these transactions probably has foreclosed any near-term hope of obtaining Iran's support in securing the release of additional hostages. The damage that has occurred from the legal efforts of the Canadians is potentially significant, especially because the Canadians are aware of all of the transactions that have occurred over the past 14 to 15 months.

6. I conclude from Roy's statements that:

a. Furmark is personally troubled by having persuaded Adnan to put up capital for a venture that has now gone sour.

b. His approach to the US Government appears to be a last-ditch effort to try to pressure the government to take some action, for example, ensuring another shipment of arms through Ghobanifar.

c. Some very nasty allegations against the US Government and key officials will be made if the Canadians bring civil suit, although much of what they know is speculation and cannot be proven.

d. The fallout from any litigation by the Canadians may be too significant, especially since the press already have major knowledge of the back channel effort with Iran.

e. When dealing with Iran, every faction--to some extent--must be taken into account. The fact that Ghobanifar kept Ayatollah Khomeini fully informed on his initiatives with the United States and that the radicals around Montazeri have decided to use the MacFarlane report as contacts by Iranians with the United States as a way to attack Rafsanjani's moderate faction. Ghobanifar, bitter and angry, may have actually encouraged radical elements to expose those contacts, although the arrest of Mehdi Hashemi probably finally triggered the action by the radicals.

CIIN 3975

UNCLASSIFIED

Executive Registry 19797

UNCLASSIFIED

TOP SECRET//SI//NF//NOFORN ONLY

C 09373

... Although the situation is messy and is likely to become even messier, keep in some perspective the damage that can be caused by ... On balance, given the current exposure, the damage now ... not be ... at.

C

Charles E. Allen

I

A
Executive Registry 19798

C11N 3975

UNCLASSIFIED

TOP SECRET//SI//NF//NOFORN ONLY

CHAPTER 16. SUMMARY: THE IRAN INITIATIVE

16-12a

12 Jan
 Call from Noel Koch
 - 783-1228 - Q1438
 - 26388 in 1975
 - Give him copy of CIA
 - Michael 15 - Fuss Sale
 - Once we have agreement,
 Israelis will send 1st 500
 for their stocks
 - 20-24M agreed to cover all
 transaction - to include export
 - Almost make as much as cost
 need to talk about how joint
 ownership FOB
 - try to get results by date of
 deal w/ 504 after hearings are at

UNCLASSIFIED

16-12b

UNCLASSIFIED

Chapter 15
Footnote 12b

2243

1945 - Call from Alan

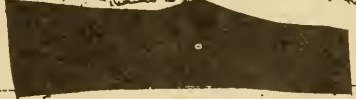
- Are Released tomorrow (at local?)

Search for further location

- ① Museum
- ② Anyway
- ③ Paris
- ④ AUS
- ⑤ Algerian Emb.

Presidential statement

*Tends to get more who will influence to bring this about.



Family Notification/transfer

Transfer of aircraft fu. Arct.

Alert Europe for

- Head support
- INCHENGALC
- Use Fray



Alert SAULT

- WEISSER
- CAGNY
- VP
- ag DORAN
- ag BRAN
- FBI

Messages to Louisa



NEXT STEPS

Partially Declassified by NSA on 09-08-2013 pursuant to E.O. 12958
by B. J. ... , National Security Council

4177

UNCLASSIFIED

CHAPTER 17. EXPOSURE AND CONCEALMENT INTRODUCTION
THIS CHAPTER DOES NOT CONTAIN FOOTNOTES.

CHAPTER 18. OCTOBER 1986: EXPOSURE THREATENED

UNCLASSIFIED

Chapter 18
Footnote 3~~SECRET~~: *From file*

18-3

0017 00000 LOCAL 5 OCT 64. WE NOW MUST
 ALREADY KNOW THE 0-100 CRASHED IN
 NICARAGUA. REPORTEDLY SHOT DOWN BY
 GUATEMALA AA FIRE. THEY SAY THREE
 AMERICAN PASSENGERS DEAD. NO BODIES
 FOUND. REPORTEDLY WERE IN A DESTINATION IN
 THAT AREA AND IMMEDIATELY DEPARTED.
 UNIT. WE AND OTHER COMMANDERS KNOW THE
 WAS THEIR PLANE. AND WE JOIN THEM IN
 EXPRESSING OUR DEEP SORROW FOR THE
 LOSS OF SOME MEN. MAY THEIR
 CONTRIBUTION NOT BE IN VAIN. SITUATION
 REQUIRES WE DO NECESSARY DAMAGE CONTROL.
 WE MUST NOT HAVE TAIL NUMBER IF SO. IS
 THE SAME ONE WHICH REPEATED SEVERAL
 TIMES AT [REDACTED] PLEASE ADVISE ASAP.
 IF SO, WE WILL HAVE TO TRY TO COVER
 UP. AS RECORD OF TAIL NUMBER COULD
 LEAD TO VERY SERIOUS IMPLICATION.
 REGARDING [REDACTED].

RD 000492

UNCLASSIFIED

00435

4783

SA 100004

UNCLASSIFIED



THE CITIZENS AND SOUTHERN NATIONAL BANK
P. O. BOX 488 ATLANTA, GEORGIA 30302

INTERNATIONAL DEPT. TELE 84-2346
BROAD AND MARIETTA STS SWIFT C8BKUS33
PHONE 404/581-2400

YOUR REFERENCE NUMBER A216835PR AT THE REQUEST OF HYDE PARK SQUARE CORP	VALUE DATE 05-23-86	CREDIT PARTY ADVISE 05-23-86	DATE 05-23-86
FAVOR OF SOUTHERN AIR TRANSPORT INC MIAMI FL 33152		FOREIGN AMOUNT USD 410,000.00	U.S. EQUIVALENT 410,000.00
OPERATOR IO 8000 RO 8008		RATE 0.000000	COMMISSION CHARGES .00
MAIL TO SOUTHERN AIR TRANSPORT INC PO BOX 52 4093 MIAMI FL 33152		TELE CHARGES .00	
PAYMENT DETAILS REF RE FUEL		MISC. CHARGES .00	
		TOTAL CREDIT AMOUNT 410,000.00	
		WE CREDIT ACCOUNT DDC 001 - 00096497	

UNCLASSIFIED

SAT - 001688
+ 001790



THE CITIZENS AND SOUTHERN NATIONAL BANK
P. O. BOX 488 ATLANTA, GEORGIA 30302

INTERNATIONAL DEPT. TELE 84-2346
BROAD AND MARIETTA STS SWIFT C8BKUS33
PHONE 404/581-2400

YOUR REFERENCE NUMBER A216456PR AT THE REQUEST OF ALCON VALUES CORP	VALUE DATE 05-23-86	CREDIT PARTY ADVISE 05-23-86	DATE 05-23-86
FAVOR OF SOUTHERN AIR TRANSPORT INC MIAMI FL 33152		FOREIGN AMOUNT USD 40,000.00	U.S. EQUIVALENT 40,000.00
OPERATOR IO 8012 RO 8008		RATE 0.000000	COMMISSION CHARGES .00
PAYMENT DETAILS REF RE FUEL		TELE CHARGES .00	
		MISC. CHARGES	
		TOTAL CREDIT AMOUNT 40,000.00	
		WE CREDIT ACCOUNT DDC 001 - 08096497	



THE CITIZENS AND SOUTHERN NATIONAL BANK
P O BOX 488 MIAMI BEACH FL 33133

INTERNATIONAL DEPT
BROAD AND MARKETTA STREETS
TELEX 84-2348
SWIFT CSBKUS33
PHONE 604/581-2400

SA 1 00177

UNCLASSIFIED

SAT-001691
+ 001789

CREDIT PARTY ADVICE		DATE	95-28-86
85-28-86 FOREIGN ACCOUNT		U.S. EQUIVALENT	200,000.00
USD		COMMISSION CHARGES	.00
200,000.00		TELEF CHARGES	.00
RATE		TAXES CHARGES	.00
0.000000		TOTAL CREDIT AMOUNT	200,000.00
PAYOR OF		WE CREDIT AMOUNT	
SOUTHERN AIR TRANSPORT INC		DDC 001 - 08096497	
MIAMI FL 33152			
OPERATOR			
TO			
SOUTHERN AIR TRANSPORT INC			
MIAMI FL 33152			
PAYMENT DETAILS			
10 8012			
PO BOX 52 4693			
RO 8002			
MIAMI FL 33152			
REF REMITTER REF ZA0526 9250 136			

VALUE DATE

1117

4212580PR
AT THE REQUEST OF

HYDE PARK SQUARE CORP

4786

UNCLASSIFIED

INV 5899

Declassified / Released on 12/22/2012
under provisions of E.O. 12356
- J. S. Heger, National Security Council

L861/10/19

18-16

270

UNCLASSIFIED

N 18297

UNCLASSIFIED

[REDACTED]

FILE: HQ: [REDACTED] [REDACTED] [REDACTED]

[REDACTED]

RE: [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 SUBJECT: [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 REF: [REDACTED] [REDACTED] [REDACTED] [REDACTED]
 1. THIS CASE SHOULD BE CLOSED

UNCLASSIFIED

6/10/1953

PAGE 00174

62298 N

(271)

UNCLASSIFIED

FILED TO: [REDACTED] DATE: 10/11/53 BY: [REDACTED]

FROM: SAC, MEMPHIS (100-10000) (P)

RE: [REDACTED]

MEMPHIS TELETYPE TO BUREAU 10/10/53.

CC: SAC, MEMPHIS (100-10000) (P)

SA [REDACTED] (100-10000) (P)

SA [REDACTED] (100-10000) (P)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] 10/11/53 11:30 AM

TO: SAC, MEMPHIS (100-10000) (P)

FROM: SAC, MEMPHIS (100-10000) (P)

RE: [REDACTED]

MEMPHIS TELETYPE TO BUREAU 10/10/53.

SUBJECT: [REDACTED]

CC: SAC, MEMPHIS (100-10000) (P)

SA [REDACTED] (100-10000) (P)

SA [REDACTED] (100-10000) (P)

[REDACTED]

[REDACTED]

18-26

CLASSIFIED AT TIME OF PUBLICATION.

Chapter

18-29

*c 29

Memorandum

UNCLASSIFIED

J 7738



Subject	Date
Investigation of Southern Air Transport	November 12, 1986 JLM:TEM:cmc

To
William F. Weld
Assistant Attorney General
Criminal Division

From
John L. Martin, Chief
Internal Security Section
Criminal Division

Attached hereto is a copy of a memorandum, dated October 31, 1986, from Judge Webster to Assistant Director Floyd Clarke of the Bureau's Criminal Investigative Division. Briefly, Judge Webster's memorandum advises that in accordance with a request from Associate Attorney General Steve Trott, the Bureau was to suspend its ongoing investigation of the captioned matter for a period of 10 days, because of possible prejudice to "some sensitive hostage negotiations."

As you know, this matter involves Eugene Hasenfus, the crew member of the C123 aircraft shot down over Nicaragua on October 7, 1986. The Bureau is anxious to resume its investigation, but, even though the 10-day period requested by Steve Trott has expired, it is unwilling to do so without the Department's approval.

Unless you advise to the contrary, I intend to advise the Bureau that it is free to resume its investigation without further delay.

Attachment

*bring to
S's attention
JP*

~~CONFIDENTIAL~~
under PROVISIONS of E.O. 12958
Page 1, National Security Agency

UNCLASSIFIED

4789

18-31

CLASSIFIED AT TIME OF PUBLICATION.

18-34

CLASSIFIED AT TIME OF PUBLICATION.

UNCLASSIFIED

Chapter 13

18-35

35



DEPARTMENT OF THE TREASURY

U.S. CUSTOMS SERVICE

WASHINGTON, D.C. 20229



RECEIVED

NOV 14 1986

REFER TO

1002

NOV 18 1986

Public Integrity Section

4792

ENF-1-03-E:0E:S:M RGL

Mr. Ralph D. Martin
Department of Justice
315 9th Street, N.W.
Public Integrity Attorney
Washington, D.C. 20530

J 6956

Partially Declassified/Released on 1/28/88
under provisions of E.O. 12356
by B. Reger, National Security Council

Dear Mr. Martin:

This is to confirm our telephone conversation of November 10, 1986, regarding the results of our initial inquiry into U.S. Customs Service criminal investigations of alleged violations of the Arms Export Control Act and the Nicaragua Sanctions as they relate to certain persons identified in Senator Kerry's report.

As explained, the data provided in Senator Kerry's report was cross checked with the criminal indices of the Treasury Enforcement Communications System (TECS), and Headquarters files. In addition, Customs Offices of Enforcement in Miami and Atlanta were contacted. For your information TECS records are indexed by name and other identifying data. TECS query of the names furnished, resulted in 21 matches. There were, however, numerous instances in which matches could not be refined as there were too many records in the universe. For example, the name John Pull resulted in 293 possible matches. Consequently, without further identifying data we are not able to determine if a record exists for some of the persons named.

...ing the Customs investigation into an alleged violation of the Arms Export Control Act by Southern Air Transport in their exportation to Central America of a C-130 aircraft. The Special Agent in Charge, Miami, has initiated an investigation into the matter. The investigation hinges on a determination as to the licensability of the aircraft, and this matter has been referred to the Department of State, Office of Munitions Control. This investigation is being conducted with the Special Agent in Charge, Federal Bureau of Investigation, Miami, Florida, who has assumed investigative jurisdiction over possible violations of the Neutrality Statutes and the Boland Amendment. The FBI therefore would best be able to respond to your question regarding ownership and financing of the aircraft. Customs has, however, determined that the aircraft in question was sold by Doan Helicopter in March 1986, for \$475,000, to Southern Air Transport acting on behalf of Ucall Research Corp.

UNCLASSIFIED

UNCLASSIFIED

1003

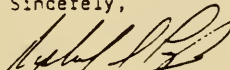
There have been multiple investigations of Thomas Posey and the Civilian Military Assistance group.

J 6957

Finally, we identified only one instance in which a Customs office reported an allegation that U.S. Government Officials were funneling funds to the Contras. The report of investigation contained an unsubstantiated allegation that unnamed Central Intelligence Agency employees are passing funds to General Singlaub, USA, Retired, for use in acquiring material for the Contras.

While in the process of obtaining the data you requested in our communication: the identity of the various AUSA's handling these reports; the reports regarding Generals Singlaub and Secord; and whether or not in the Southern Air Transport investigation, Customs uncovers any evidence indicative of high level government official involvement. This information will be forwarded to you in the near future.

Sincerely,



Raphael G. Lopez

UNCLASSIFIED

18-36

CLASSIFIED AT TIME OF PUBLICATION.

18-59

See Hearing Exhibit OLN-315

C 09370

UNCLASSIFIED
FOR OFFICIAL USE ONLY

Chapter 15
Footnotes 79 and e

C

Partial Declassification based on 11 Jan 1988
Under provision of E.O. 12958
by B. [redacted] National Security Council

18-62+64

7 November 1986

MEMORANDUM FOR: Director of Central Intelligence
FROM: [redacted] Deputy Director of Central Intelligence

FROM: Charles E. Allen
National Intelligence Officer for Counterterrorism

SUBJECT: Meeting with Roy M. Furmark

1. Roy M. Furmark, head of Adnan Khashoggi's New York operations, called on 5 November 1986 to request an urgent meeting with me in Washington. I met with Roy on the afternoon of 6 November at the Key Bridge Marriott Hotel. He provided further information on the fallout that is occurring with the shutdown of the Ghobanifar [redacted] account. The following are highlights of the conversation with Roy:

a. The Canadian investors who set up \$11 million to finance the arms transactions with Iran have retained a Washington law firm to bring suit against Khashoggi and the offshore company Lakeside, the firm into which they paid the \$11 million to cover the cost of Hawk missile parts. The Canadians told Roy that they would bring suit against Khashoggi and Lakeside on Monday, 10 November, and that they intended to implicate in the litigation directly senior levels of the US Government. Roy claimed, however, that the Canadians had agreed—at his request—to withhold filing the suit until 17 November.

b. After the release of Jacobson, the Canadians began to press Ghobanifar and Khashoggi for repayment of the money owed. Ghobanifar told the Canadians that the latest transaction did not involve him in any way and that the United States was "dealing direct" with the Iranian Government.

c. The Canadians tend to believe Ghobanifar because they had seen their lawyers block Ghobanifar's account in Credit Suisse. If funds had been transferred into Ghobanifar's account in repayment of the money owed to Iran, Credit Suisse would have automatically transferred the funds to the Canadians' account in the Bank of Montreal.

A

4176c

CIIN 3975

UNCLASSIFIED

TS 3538-86
Copy 1 of 6

Executive Registry 19795

CL BY [redacted]
DECL OADR PM STEW [redacted]

UNCLASSIFIED

C09371

d. The Canadians are extremely angry, they are pressing Khashoggi hard to believe that the Iranian Government has paid money to secure the release of additional arms having been sent to Iran. They believe that Jacob Secord's release could only have resulted from another arms transaction with Iran.

The Canadians involved are Douglas Fraser, a financier who lives out of the Cayman Islands, and Ed Miller, who operates out of Los Angeles and Vancouver. The third individual involved in the investment effort is a swami (who could not remember his name) who lives in Los Angeles. The swami knows a number of prominent Congressmen (Cranston was mentioned) and even advises the Sultan of Brunei. The swami has counseled Fraser and Miller to be patient, but the two Canadians are now determined to recover their money.

f. The Canadians intend to expose fully the US Government's role in the backchannel arms transactions with Iran. They believe Lakeside to be a proprietary of the US Government; they know that former Major General Richard Secord is heavily involved in managing the arms transactions to Iran for Oliver L. North, and that Secord is also involved in assisting North in the support the Contras in Nicaragua.

g. When the Canadians originally set up the money after negotiations with Khashoggi and Ghobanifar, they believed the effort was formally sanctioned by the US Government. They are not concerned about the politics of the US-Iranian equation; they simply want repayment of \$10 million. Miller, a tough and sleek individual, is especially determined to get his money back.

h. In addition to bringing suit against Lakeside and Khashoggi and exposing US Government involvement in the arms transactions, the Canadians intend to use the swami to lobby key Congressmen. The Canadians believe that they have been swindled and that the money paid by Iran for the arms may have been siphoned off to support the Contras in Nicaragua. The Canadians originally expected to be repaid in thirty days; it has now been six months and they have received only \$1.1 million.

i. While Ghobanifar managed the channel to Tehran, he coordinated his initiatives in a variety of ways with all significant factions in Iran. Clearly, whoever is running the new channel has fallen to do a devastating mistake.

2. Roy stated that he would endeavor to identify the law firm that the Canadians have retained and would call me on 7 November. It is my understanding that the law firm in question at one time had worked on cases involving President Nixon. The Canadians have told Khashoggi that they have already lost \$6 million as a result of their ill-fated investment. In part, Khashoggi is demoralized and is unable to correct the situation because of his own financial difficulties. Ghobanifar, according to Roy, has spent the sums of his own personal fortune over the past 18 months in his efforts. He described Ghobanifar as an excellent broker with extraordinarily high-level contacts in Western Europe, the Middle East, and Iran. Ghobanifar, however, is angry and bitter and his health is now impaired.

CIN 3975

UNCLASSIFIED

Executive Registry 19796

TOP SECRET//SI//SI//SI//SI ONLY

C 09372

TOP SECRET//SI//STRATEGIC//NOFORN

UNCLASSIFIED

3. Roy has no specific suggestions on how to solve the financial problem. Somehow \$10 million should be paid into Ghobanifar's account. Credit Suisse (Account Number 283838-92-1). Because Ghobanifar's account is totally blocked, the money would simply be transferred to the Canadians. All the Canadians have are checks from Ghobanifar and Khashoggi—checks that are worthless. Roy reaffirmed that Ghobanifar and Khashoggi have been able to pay off the other investor—an Arab who put up \$5 million. Roy stated that he and Khashoggi may see the Canadians in Europe in the near future to request more time, but they were not sanguine that anything would come out of such a meeting.

4. The Canadians have told Roy that they had kept their word keeping these transactions totally secret, but now felt no compunction to do so in the future in view of media exposure of the MacFarlane trip. Roy stated that he personally felt responsible for persuading Khashoggi to help finance these transactions. The effort had taken considerable courage both on the part of both Ghobanifar and Khashoggi. In Roy's opinion if the transactions had proceeded as planned in July 1986, the hostage issue would have been resolved by now. The apparent switching to another channel by the United States in dealing with the Iranian Government, however, had destroyed this process. The current publicity about these transactions probably has foreclosed any near-term hope of obtaining Iran's cooperation in securing the release of additional hostages. The damage that has occurred from the legal efforts of the Canadians is potentially significant, especially because the Canadians are aware of all of the transactions that have occurred over the past 14 to 15 months.

6. I conclude from Roy's statement that:

a. Furmark is personally troubled by having persuaded Adnan to put up capital for a venture that has now gone sour.

b. His approach to the US Government appears to be a last-ditch effort to try to pressure the government to take some action, for example, ensuring another shipment of arms through Ghobanifar.

c. Some very nasty allegations against the US Government and key officials will be made if the Canadians bring civil suit, although much of what they know is speculation and cannot be proven.

d. The fallout from any litigation by the Canadians may be quite significant, especially since the press already have major coverage of the back channel effort with Iran.

e. When dealing with Iran, every faction--to some extent--must be taken into account. The fact that Ghobanifar kept Ayatollah Khomeini fully informed on his initiatives with the United States and that the radicals around Montazeri have decided to use the MacFarlane report as a way to break contacts by Iranians with the United States as a way to back Rafsanjani's moderate faction. Ghobanifar, bitter and angry, may have actually encouraged radical elements to expose those contacts, although the arrest of Mehdi Hashemi probably finally triggered the action by the radicals.

Executive Registry 19797

CIN 3975

UNCLASSIFIED

UNCLASSIFIED
TOP SECRET//SI//NF//NOFORN ONLY

C 09373

Although the situation is messy and is likely to become even messier, keep in some perspective the damage that can be caused by... On balance, given the current exposure, the damage now... not be... at.

C

Charles E. Allen

I

A
Executive Registry 19778

011N 3975

UNCLASSIFIED
TOP SECRET//SI//NF//NOFORN ONLY

CHAPTER 19. NOVEMBER 1986: CONCEALMENT

07041847Z NOV 85
FM AIR FORCE ONE
TO WHSR
POF DR KEEL FROM ADM POINDexter
DEM
~~SECRET~~

UNCLASSIFIED

N 7796

Chapter 8
Footnote 19-6

SUBJ IRAN PRESS GUIDANCE

- 1 WE HAVE USED THE FOLLOWING Q AND A
- Q ABOUT MCFARLANE OR SPARE PARTS OR ARMS TO IRAN?
- A WE HAVE NO COMMENT ON THESE REPORTS AS LONG AS THERE ARE AMERICAN HOSTAGES BEING HELD IN THE MIDDLE EAST WE WILL NOT BE RESPONDING TO QUESTIONS LIKE THIS A SIMPLE NO COMMENT WILL BE MADE TO ALL QUESTIONS ABOUT TALKS OR ACTIONS THAT MIGHT OR MIGHT NOT BE TAKING PLACE YOU SHOULD INFER NOTHING TO THESE RESPONSES
- 2 WHAT DO YOU THINK ABOUT THIS ONE? WE HAVE NOT USED IT YET

Q DOES THE U S STILL HAVE AN ARMS EMBARGO AGAINST IRAN IN THE IRAN-IRAQ WAR?

A THE U S POSITION ON THE IRAN-IRAQ WAR HAS NOT CHANGED THE FIGHTING SHOULD STOP AND THE TWO SIDES SHOULD REACH A NEGOTIATED SETTLEMENT OF THEIR DISPUTE ALL ACTIONS BY THE U S ARE TAKEN WITH THIS OBJECTIVE IN MIND THERE SHOULD BE NO WINNERS OR LOSERS AS LONG AS IRAN REJECTED THE USE OF TERRORISM THE ARMS EMBARGO WILL CONTINUE
#0012

Declassified/Released on 29 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

1342

UNCLASSIFIED

FM. AFI **UNCLASSIFIED** Release N 7797

TO: WHSR

J. P. [Signature]

FOR DR. REEL FROM AFI POUCHES:

SUBJ: IRAN PRESS GUIDANCE

1. We have used the following Q & A.

Q. } insert (A)

A. }

2. What do you think about this one? We have not used it yet.

Q. ? insert (A)

A. ;

P 72
12/15/72

UNCLASSIFIED

Q About the Fairlane or spare parts
or arms to Iran?

A: We have no comment on these
reports. As long as there are
American hostages being held in the
Middle East we will not be respond-
ing to questions like this. A simple no-
comment will be made to all questions
about talks or actions that might or
might not be taking place. You should
infer nothing to these responses.

UNCLASSIFIED

Q. Does the U.S. still have an arms
embargo against Iran ^{in the} ~~Iran~~
~~war?~~

A. The U.S. position on the Iran-Iraq
war ~~has not changed~~. ^{embargo} ^{that} The fighting should
stop and the two sides should reach
a negotiated settlement of their disputes.
~~With actions by the U.S. and taken with~~
~~this objective in mind. There should~~
be no winners or losers. [As long
as Iran ceases ~~to~~ the use of
terrorous weapons embargo will continue

It is just an outcome where there are
no winners or losers.

UNCLASSIFIED

19-8

See Hearing Exhibit DTR-58

Chapter 19, Footnote c 10

19-10

H 18467

PAGE 112

7871
11 May 1982

UNCLASSIFIED

FILE: 8076 [REDACTED] NO WHITE HOUSE COMMUNICATIONS AGENT

[REDACTED]

BTBT --CPUB

[REDACTED]

NSU FROM: NSURP --CPUB TO: NSURP --CPUB 11/07/80 22:55:05

see reply to note of 11/07/80 20:10 -- SECDEF --

NOTE FROM: JUMP PENDING
Subject: [REDACTED]
I am [REDACTED] to the [REDACTED]. I frankly doubt that he did what you suggest. I had breakfast with him this [REDACTED] and he agreed that he would keep his mouth shut. I will see what I can find out and will call you. I wish everybody would calm down a bit on this. We have a damn good story to tell when we are ready. Right now could be an absolutely stupid time for the administration to say anything.

[REDACTED]

I will be back in touch.
[REDACTED]

[REDACTED]

[REDACTED]

UNCLASSIFIED

545

N 18468

PAGE 11

309

UNCLASSIFIED

FILE: WYB [REDACTED] BRITISH ROYAL CONSULATS BUREAU

[REDACTED]

NSC FILE: 8187N --CPAS TO: WJDP --RFB
TO: 06JAP --CPAS JOHN W. POLANSKI 11/07/06 20:00:32

NOTE FROM: HURRY MCZALARE
SUBJECT: Current events

Meeting been out of town for the day and calculating the amount I will be returning to find that Ron Swan has relinquished the machine and sold the entire problem at my feet; at that moment, I still had the machine but, as I have already stated, etc. I can tell this machine is not a problem but, as I stated, I have had the machine and I will have to contact to express.

But I want tell you that if this is true, I will be gain and, this will be the second time Ron Swan has "sold" against my character and I don't stand for it.

It might be useful to review just what the truth is.

I will recall that when the Israeli first approached me in June '85, I presented the Israeli request to the President and he was very obliging at all of my own expense at all--and he captured it.

He then heard nothing until August when the Israeli introduced the requirement for 1089. I told the President that I was not going to check with the President, as stated, but I was released as a consequence of their action.

My next involvement was to go to London where I presented our willingness to open political relations with Israel. I was very obliging in my own expense for the President, but he did not do it.

I returned to the States and debriefed the President with the President and I began that we had to take the position of the President and I was very obliging. I told the President that the machine was not to be treated and encouraged that we were to meet every on business with him. You were present John. I then left the arrangement.

Some discussion must have occurred with the President between the President and myself, but I am not sure of the details. I will be contacted as to go to the President to open the political dialogue. I did so. Once there, I was told that we had to meet every on business with him and I was very obliging.

My next involvement was to go to London where I presented our willingness to open political relations with Israel. I was very obliging in my own expense for the President, but he did not do it.

I returned to the States and debriefed the President with the President and I began that we had to take the position of the President and I was very obliging. I told the President that the machine was not to be treated and encouraged that we were to meet every on business with him. You were present John. I then left the arrangement.

May 1987

17-19

See Hearing Exhibit DTR-41

UNCLASSIFIED

Chapter 19
Footnote 19-20

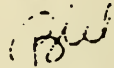
10 November 1986

Vice Admiral John M. Poindexter, USA
 Assistant to the President for
 National Security Affairs
 The White House
 Washington, D. C. 20500

Dear John,

Here is a version which says a little more than the one you read to me, which I think is necessary but not so much as to upset the Iranians. The draft you read to me does little more than say we reviewed the matter and discovered that we didn't break the law. You will note that there is a portion of the second paragraph and a portion of the fourth paragraph which could probably be struck or cut it down still further.

Yours,



William J. Casey

Attachment

UNCLASSIFIED

1347

Released on 29 June 1987
 under provisions of E.O. 12958
 by B. Reger, National Security Council

UNCLASSIFIED

In view of recent press speculation on our discussions with Iran, I have a brief statement to make. Because continued speculation could jeopardize lives and be counter-productive to what we hope to achieve, I will take no questions.

From the earliest months following the revolution in Iran, the United States Government has attempted to reestablish official contact with that government in order to discuss strategic developments in that critical part of the world and to try and reestablish a constructive working relationship. ~~Iran has and ultimately will again play an important role in our strategic policy with respect to its neighbors, including the Soviet Union. We believe that the vital long-range interests of these countries are best served by a strong, prosperous Iran pursuing moderate policies and practicing friendship and tolerance for its people and other nations.~~

We seek a peaceful solution to the conflict between Iran and Iraq which leaves each country with its pride and its territory intact. Our policy has been and continues to be to restrain ^{of arms} shipments to either combatant that could alter the balance or prolong the war. Any contacts and discussions we have had have been within this policy framework.

It has ~~been~~ and will remain our policy not to reward hostage takers by meeting their demands. We accept and seek the help of other governments in recovering our hostages. ~~This is part of our policy to recognize and encourage, both tangibly and intangibly, responsible behavior by governments which may in the past have sponsored terrorist actions. And if this were to contribute to the release of American hostages, this would be welcome.~~

UNCLASSIFIED

UNCLASSIFIED

N 8997

The decision to pursue this dialogue with Iran almost a year ago was mine. It was fully discussed with my principal advisors. I felt that the responsibilities of my office required me to make the difficult decision to proceed, bearing in mind that there were risks, but also that the long-term security interests of our country would be served by the reestablishment of contact and dialogue on strategic issues with the government of Iran.

UNCLASSIFIED

Chapter 19-25 Dec 25

~~UNCLASSIFIED~~Done ✓
0930 11/12/66 WCO USB

N 7827

Non relevant information
deleted from this section12.30.86
vml

- IRAN & HOSTAGES
 - 2 + 3 MATISE
 - POSITIVE STATEMENT
 - FATWAH
 - PRESS GUIDANCE

non relevant material
deleted from this sectionvml
12.30.86

816

~~Hostage statement~~~~Tray to Wain & Jones~~P90
174496
cc

UNCLASSIFIED

19-26

See Hearing Exhibit McFarlane-50

UNCLASSIFIED

Chapter 19
Footnote 27

46431 N

FILE: 8078 80 WHITE HOUSE COMMUNICATIONS AGENCY

PAGE 157

Subject: Contamination of Iran
Re: Suspected Iranian Agent
To: 8378 --CPA 11/12/66 22:12 ***

NOTE FROM: ROBERT MCPALDRE
SUBJECT: Contamination of Iran
-- SECRET --

With these thoughts in mind, we were receptive when, last year, we were alerted to the possibility of establishing a political dialogue with Iranian officials. After many days of study and discussion, we decided to make an effort to contact the Iranian officials who were most likely to establish the legitimacy of those involved. But after exhaustive effort had confirmed the authenticity of those involved and I should say, after they had placed themselves at our disposal, we decided to take no action. From the beginning our purpose was clearly expressed, we could engage in a dialogue, that had no political implications. We could engage in a dialogue, that had no political implications with Iranian officials, most importantly with those who were in the position of holding our hostages. Clearly no program could be made at once concluded until they were released and Iran ceased its terrorist attacks.

Not long after the exchange began at a state level, it became apparent that our negotiators were being legitimate but they were able to direct concrete actions on which we failed to include the release of hostages and the cessation of further such actions. It also became very clear that by doing so they had eliminated considerable responsibility among other factions within Iran. It was apparent that those with whom we were dealing faced considerable and needed support. It was clear that we were to be able to carry on and because that

we could establish a dialogue with Iranian officials, most importantly with those who were in the position of holding our hostages. Clearly no program could be made at once concluded until they were released and Iran ceased its terrorist attacks.

NOTE FROM: ROBERT MCPALDRE
SUBJECT: Contamination of Iran
Re: Suspected Iranian Agent
To: 8378 --CPA 11/12/66 22:12 ***

Subject: Contamination of Iran
Re: Suspected Iranian Agent
To: 8378 --CPA 11/12/66 22:12 ***

NOTE FROM: ROBERT MCPALDRE
SUBJECT: Contamination of Iran
-- SECRET --

With these thoughts in mind, we were receptive when, last year, we were alerted to the possibility of establishing a political dialogue with Iranian officials. After many days of study and discussion, we decided to make an effort to contact the Iranian officials who were most likely to establish the legitimacy of those involved. But after exhaustive effort had confirmed the authenticity of those involved and I should say, after they had placed themselves at our disposal, we decided to take no action. From the beginning our purpose was clearly expressed, we could engage in a dialogue, that had no political implications. We could engage in a dialogue, that had no political implications with Iranian officials, most importantly with those who were in the position of holding our hostages. Clearly no program could be made at once concluded until they were released and Iran ceased its terrorist attacks.

UNCLASSIFIED

19-27

Handwritten notes and stamps at the bottom of the page, including a date stamp [Nov 1987] and a signature.

UNCLASSIFIED

18495 M

PAGE 150

FILE: [REDACTED] SO WHITE HOUSE COMMISSIONERS AGREE

... were open to a dialogue it could not be carried forward without the prior release of our hostages.

The talks took place over the course of two days. They were conducted in a... dialogue has continued and step by step progress is being made with Iran... and a notion in principle we can continue to make progress.

... of this has involved great responsibility for those involved. But over time... engaged in more serious acts. There is no question that we could not have... reached at least today. The point is that I must face the responsibility of... telling the American people the truth about the situation. I must also... policies; absolute secrecy is required. There is no precedent in our... history for this kind of sensitive diplomacy and it has been fully accepted by... of Cabinet.

From the beginning of our talks we to progress... the negotiator means that would not compromise the... that that threshold may have been crossed in some. Time will tell.

[REDACTED]

1887
The White House
Washington, D.C. 20503

UNCLASSIFIED

19-27

See Hearing Exhibit McFarlane-51

19-28

See Hearing Exhibit McFarlane-52

19-31

See Hearing Exhibit DTR-58

19-46+47

~~TOP SECRET~~
UNCLASSIFIED

Chapter 19
Footnotes 46, 47

C
004
Pardexter /
Carey
re: testimony

TRANSCRIPTION - Cassette # 3

18 November 1986

Grossmain(?), this is Central. Grossmain, go ahead. This is Central. I have Mr. Poindexter on the, uh, standing by on the other line. Um, stand by while I make the connection. Over. Roger, I'll get the DCI. Also, are the folks over at the White House fully briefed on the place to talk scenario? Go ahead. Ok. That I'm not sure of; I'll give him a quick rundown before I, I give him over to ya. Roger. The DCI is on his way in right now; it will be a couple of seconds. Ok. You have been connected. If you can, if you acknowledge that you are there for them. All right. Bill, Bill, this is John. Over. Are you, ok, you have to press the little star sign and you talk and then when you're finished you push the little pound sign. Ok, thank you. Bill, Bill, this is John. Over. Bill, Bill, this is John, John. Over. Um, stand by, sir, please stand by one moment. Over. Hello. (garble) Sir. Bill, this is John. Go ahead. Over. I'm just calling to uh see what's up. I gather that uh you'd like me to be home a day early or two days early. If I can (garble) to do that I've gotta duck my, cancel my [redacted] stop. I thought you might tell me what's up. Ok?

Partially declassified
 Released on 29 June 1987
 by the National Security Council

1365

~~TOP SECRET~~
UNCLASSIFIED

ONG IS 0852-87/

~~UNCLASSIFIED~~

C 005

Bill, Bill, this is John. Roger. Bill, it's just that, that I got to thinking about the hearing on Friday and the coordination that the two of us need to do and I just didn't think there would be enough time to do it with your coming in uh early Friday morning. So if you can get back on Thursday uh so we could meet Thursday afternoon,; I think it would be very useful so we make the best possible presentations on Friday, and try to lay as many of these questions to rest as we can. Over. Ok, John, I'll be back uh Mon, I'll be, I'll be back Thursday morning and uh I'd like whatever information you can collect in there. Ok? Over. This is John, Roger. We've been putting together all the chronologies and all the facts that we can lay our hands on, uh, and I'll be ready to talk to you any time on Thursday, but you probably would want to spend some time out at your place on Thursday morning, I guess. Over. (Garble - At such a time as you seem to be Thursday morning?) Bill, this' is John. I'd prefer to meet Thursday afternoon. That would give you an opportunity uh to spend some time out at the Agency in the morning and talk to Claire, you know who went up, uh I guess the staffers came out to him today, but that would give you some time to talk to them in the morning. Over.

-2-

~~UNCLASSIFIED~~

~~UNCLASSIFIED~~
TOP SECRET

E 006

Are you going to have a lot of people at the meeting - uh State and uh Defense? Over. This is John. Uh, we could do it uh however you'd like. Uh, I want to, I'd like to spend some time just the two of us, uh but if the, Ed Meese indicated uh he'd, he should want to be helpful and so he would like to be in at least one of the meetings. Over. Ah, you, you set whatever time you'd like for us to get together and have a little talk ourselves, then I'll have, I'll handle a meeting any time you set it, and I'll be there and I'll see you then on Thursday. Over. This is John. Roger. I'll do that and thank you very much and I'll see you on Thursday. Over. This is (garble) Roger. Out.

Central, Central, this is Postman. We're clearing that (garble) and we're back to common. Thank you very much for that call. We're clearing that with the White House, Central. Thank you very much for the call.

-3-

~~UNCLASSIFIED~~

TOP SECRET

UNCLASSIFIED

N 5617
11/07/86

Chap

CHRONOLOGY OF EVENTS: U.S.-Iran Dialogue Fox 19-65

1984

Michael Ledeen suggests to the NSC that Israeli contacts may be useful in obtaining release of the U.S. hostages in Lebanon. Ghorbanifar is introduced to Ledeen and the NSC as an Iranian intermediary.

1985

Feb 14: Jeremy Levin escaped.

Jun 14: TWA-847 hijacking. Last known instance of Iranian-supported terrorism against U.S. nationals.

Sep 1 :

[REDACTED]

① Aug 30
Sep 30:

500 TOW missiles delivered to Iran (Tabriz ?).

② Sep 14:

Reverend Benjamin Weir released.

Oct 03:

Islamic Jihad claimed it murdered U.S. hostage William Buckley in retaliation for Israeli raids in Tunis.

② Nov 24 :

Israel delivered 18 HAWK missiles to Iran.

Dec 20:

Hostage Locating Task Force (HLTF) formed at CIA.

Dec 23:

Nir became primary Israeli POC.

1986

Jan 06: Presidential Finding on Iran.

③ Feb 14 :

U.S. delivers 1,000 TOWs to Iran via Israel.

Apr 17:

U.S. hostage Peter Kilburn murdered in retaliation for U.S. raid on Libya.

Apr 22:

Ghorbanifar arrested in Switzerland for...

May 09:

Planning meeting at CIA.

May 15:

Terms of Reference (TOR) approved for establishing a strategic dialogue with Iran. U.S. objectives:

- Return U.S. hostages.
- End Iran-Iraq war.
- Establish a correct relationship with Iran.

TOP SECRET

Declassify: OADR

UNCLASSIFIED

2055
12/1/86
L.A.

Partially Declassified / Released on 5/2/87
under provisions of E.O. 12353
by Reg. Int. Sec. Council

UNCLASSIFIED

N 5618

2

TOP SECRET

- ~~RAA~~ May 23: U.S. delivers 508 TOWs to Israel (replacements).
- May 24: [REDACTED]
- May 25-27: McFarlane party to Tehran. Some of the 240 HAWK missile parts accompany the party.
- Jun 10: Rafsanjani news conference containing possible "signal" that Iran wanted improved relations with the U.S.
- Jul 26: Father Jenco released.
- ③ Aug 03: Remainder of 240 HAWK missile parts delivered to Tehran.
- Sep 19-20: Discussions in Washington with new Iranian intermediary.
- Oct 03: White House approves provision of intelligence to Iran [REDACTED]
- Oct 06: U.S. representatives meet Iranian representatives in Europe.
- Oct 26: Frankfurt meeting of U.S. and Iranian representatives.
- ⑤ Oct 29: 500 TOW missiles delivered to Iran *from Israel*.
- Nov 02: David Jacobsen released.
- Nov 07: 500 TOW missiles delivered to Israel (replacements).

TOP SECRET

UNCLASSIFIED

TOP SECRET

UNCLASSIFIED

17 Nov 86
-11/07/86

N 5619

CHRONOLOGY OF EVENTS: U.S.-Iran Dialogue

1984

Michael Ledeen suggests to the NSC that Israeli contacts may be useful in obtaining release of the U.S. hostages in Lebanon. Ghorbanifar is introduced to Ledeen and the NSC as an Iranian intermediary.

1985

- Feb 14: Jeremy Levin escaped.
- Jun 14: TWA-847 hijacking. Last known instance of Iranian-supported terrorism against U.S. nationals.
- Sep 1: [REDACTED]
- Sep 2: 508 TOW missiles delivered to Iran (Tabriz?).
- Sep 14: Reverend Benjamin Weir released.
- Oct 03: Islamic Jihad claimed it murdered U.S. hostage William Buckley in retaliation for Israeli raids in Tunis.
Hostages in London
- Nov 24: Israel delivers 18 HAWK missiles to Iran.
Hostages in London
- Dec 6-8: [REDACTED]
- Dec 20: Hostage Locating Task Force (HLTF) formed at CIA.
- Dec 23: Nir became primary Israeli POC.

1986

- Jan 06: Presidential Finding on Iran.
Hostages: Bealva, London & Frankfurt
- Feb 14: U.S. delivers 1,000 TOWs to Iran via Israel.
Hostages in London
- Apr 17: U.S. hostage Peter Kilburn murdered in retaliation for U.S. raid on Libya.
- Apr 22: Ghorbanifar arrested in Switzerland for...
- May 09: Planning meeting at CIA.
- May 15: Terms of Reference (TOR) approved for establishing a strategic dialogue with Iran. U.S. objectives:
 - Return U.S. hostages.
 - End Iran-Iraq war.
 - Establish a correct relationship with Iran.

TOP SECRET

Declassify: OADR

UNCLASSIFIED

N 2054
12/14/86
11/4
L 91

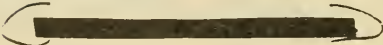
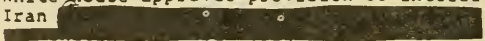
Declassified on 5/2/87

UNCLASSIFIED

N 5620

TOP SECRET

2

May 22-28 *Meetings in London, Cyprus, & Tel Aviv.*
 May 23: U.S. delivers 508 TOWs to Israel (replacements).
 May 24: 
 May 25-27: McFarlane party to Tehran. Some of the 240 HAWK missile parts accompany the party.
 Jun 10: Rafsanjani news conference containing possible "signal" that Iran wanted improved relations with the U.S.
 Jul 16-28 *Meetings in Frankfurt.*
 Jul 26: Father Jenco released.
 Aug 03: Remainder of 240 HAWK missile parts delivered to Tehran.
 Aug 6 *Frankfurt meetings*
 Sep 19-20: Discussions in Washington with new Iranian intermediary.
 Sep 22-23 *Meetings in London.*
 Oct 03: White House approves provision of intelligence to Iran 
 Oct 5-7 *Frankfurt meetings*
 Oct 06: U.S. representatives meet Iranian representatives in Europe.
 Oct 26: Frankfurt meeting of U.S. and Iranian representatives.
 Oct 27-28 *Frankfurt meetings*
 Oct 29: 500 TOW missiles delivered to Israel *from Israel.*
 Nov 02: David Jacobsen released.
 Nov 07: 500 TOW missiles delivered to Israel (replacements).

TOP SECRET

UNCLASSIFIED

19-66

See Hearing Exhibit DTR-36

Chapter 19, Footnote 67

TOP SECRET

TOP SECRET

November 12, 1986
(Maximum Version)

#58

DRAFT

N93131

Partially Declassified/Released Pursuant to E.O. 12356, IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

under provisions of E.O. 12356, 5/14/87
Reg. Int. Sec. Council

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in that critical part of the world and to try and reestablish a constructive working relationship. Even before President Reagan came to office the U.S. Government agreed to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. When the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public, radical elements in Tehran forced the ouster of the government. That episode has influenced subsequent Iranian willingness to be engaged in any direct contact with the USG.

C5
124182

Despite Iranian reluctance to enter into a relationship with the USG, our strategic interests in the Persian Gulf mandate persistent efforts on our part to try to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations.

Iran, the key to a region of vital importance to the U.S., is increasingly threatened by growing Soviet military and political influence along its borders and inside its country. The increasing desperation brought on by the costs of the Iran-Iraq war further exacerbates Iran's vulnerability to growing Soviet influence. Moreover, Soviet designs in Afghanistan and actual threats to Iran have made reopening a strategic dialogue increasingly important.

19-67

Since 1983, various countries have made overtures to the U.S. and Iran in an effort to stimulate direct contact.

Despite U.S. willingness to proceed, none of these overtures have succeeded.

Various individuals and private parties have likewise attempted to be helpful as intermediaries in arranging the release of our citizens held hostage in Lebanon.

TOP SECRET
Declassify: OADR

TOP SECRET

DRAFT

C5
124182
E6

TOP SECRET
UNCLASSIFIED

DRAFT

TOP SECRET

2

In late 1984, the USG was approached by a representative of the Israeli government (David Kimche), suggesting that they had established a liaison relationship with an Iranian expatriate (Manucher Ghorbanifar) in Europe who could serve as an intermediary in creating a direct contact. In addition to the strategic possibilities, this contact indicated that his "sponsors" in Tehran could also help to resolve the American hostage situation in Beirut.

The USG encouraged the Israelis to proceed with this contact to determine whether or not it was valid. In December, 1984, the U.S. established an indirect contact with the Iranian, through a private U.S. citizen (Michael Ledeen) and a senior Israeli official (Amiram Nir). These contacts were established through the National Security Council staff with the full knowledge of appropriate Security Council staff with the full knowledge of appropriate Cabinet officers. From the very first meeting with the Israelis and the Iranian, it was emphasized that the USG could not proceed with direct contact unless Iran renounced terrorism as an instrument of State policy.

In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, the four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. Mr. Rafsanjani, in his speech on November 4, 1986 for the first publicly admitted his role in this matter. Again, this contact was conducted by the USG in the direction of the Israeli government.

In September of 1985, the Israelis advised that they were close to achieving a breakthrough on the hostage situation and advised that they intended to proceed, unless we objected. It is important to note that the U.S. had long been aware of Israeli efforts to maintain discreet contact with Iran and to provide Iran with assistance in their war with Iraq. Despite long-term U.S. efforts to convince the Israelis to desist, Israel continued to provide limited military and industrial technology to Iran. The USG judged that the Israelis would persist in these secret deliveries, despite our objections, because they believed it to be in their strategic interests.

TOP SECRET

TOP SECRET

DRAFT

~~TOP SECRET~~

DRAFT

TOP SECRET

3

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. Shortly thereafter, the U.S. acquiesced in an Israeli delivery of military supplies (508 TOWs) to Tehran. U.S. acquiescence in this Israeli operation was based on a decision at the highest level to exploit the existing Israeli channels with Tehran in an effort to establish our own strategic dialogue with the Iranian government.

Throughout the remainder of 1985, the USG maintained contact with the Iranian expatriate and held a number of meetings in Europe all of which included NSC and CIA representatives, in addition to the Israeli point of contact and the Iranian. Despite our efforts to convince the Iranians, through this channel to meet face-to-face with the Americans, they demurred.

In December, 1985, the National Security Advisor met with Israeli officials and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At this meeting, Mr. McFarlane stated that our goals were as follows:

- Ending the Iran-Iraq War on honorable terms.
- Convincing Iran to cease its support for terrorism and radical subversion.
- Helping ensure the territorial integrity of Iran and acting in concert against Soviet activities in the region.
- Using their influence over radical groups in Lebanon to bring about the release of the hostages.

In January, 1986, the President approved a covert action finding directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above. The escalation of tensions with Libya, including the April strike, prevented further dialogue from taking place until the Iranians contacted the intermediary in late April, 1986. At that point, the Iranian expatriate advised us that the leadership in Tehran was prepared to commence a secret dialogue with the United States along the lines of our established goals.

On May 15, the President authorized a secret mission by former National Security Advisor McFarlane, accompanied by a CIA officer, members of the NSC staff, and the Israeli and Iranian interlocutors on a trip to Tehran. In order to ensure

TOP SECRET~~TOP SECRET~~

DRAFT

~~TOP SECRET~~

DRAFT

TOP SECRET

4

operational security, the trip was made from Israel, coincident with the delivery of a pallet of spare parts for Iranian defensive weapons systems (HAWK spare parts). Despite promises of meetings with top-level Iranian officials, the McFarlane trip did not fully achieve its desired goals in that the Iranians did not produce top-level officials for the meetings.

Despite this shortcoming, lengthy meetings were held with mid-level Iranian officials during the four-day trip, the first direct contact between the two governments in over six years. McFarlane and his team were able to establish the basis for a further relationship and clearly articulate our objectives, concerns, and intentions. The group was also able to assess first hand the internal political dynamic in Tehran and the effect of the war which Iran clearly can no longer win. Using the Presidentially Approved Terms of Reference, which had been reviewed by appropriate Cabinet officers, McFarlane emphasized that our interest in Iran transcended the hostages, but the continued detention of hostages were an obstacle to progress. The Iranians emphasized that the U.S. embargo on hardware paid for by the Shah was, for them, the most significant obstacle to improved relations.

On June 10, Majlis Speaker Rafsanjani, in a speech in Tehran made guarded reference to Iranian interests in improved relations with the U.S. On July 26, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint.

At this point, the contact with the Iranian expatriate began to focus exclusively on the willingness of the USG to provide military assistance to Iran and we sought to establish different channels of communication which would lead us more directly to pragmatic and moderate elements in the Iranian hierarchy. In late September, discussions were initiated in Washington with this close confidant of the man judged to be the most influential and pragmatic political figure in Iran (Rafsanjani). These discussions reaffirmed the basic objectives of the U.S. in seeking a strategic dialogue with Tehran. As a confidence-building measure, the United States provided limited intelligence to Iran so that it would contribute to ending the Iran-Iraq War.

Convinced of the seriousness of U.S. intentions, a series of meetings were held in Europe between U.S. and Iranian representatives. During these sessions, the U.S. side consistently presented the hostages as an obstacle to more rapid progress. The Iranians, for their part, urged that we take a more active role in support for the Afghan resistance.

TOP SECRET~~TOP SECRET~~

DRAFT

UNCLAS SECRET

DRAFT

TOP SECRET

[REDACTED] The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 tank captured from Iraq. As a further demonstration of U.S. earnest, Israel provided Iran with an additional increment of defensive missiles on October 29.

[REDACTED] We know that moderate factions in Iran prevailed over more radical elements to use their influence over the Hizballah, enabling the November 2 release of David Jacobsen. Jacobsen's release was assisted by the efforts of Terry Waite, who was on-scene in Beirut when it occurred.

This entire process was interrupted by the radical wing in late-October when it revealed the contact with the USG and the terms of the contact. The moderate political leaders now feel constrained to settle their internal political problems before proceeding with the budding relationship with the USG. The revelations in Tehran regarding the McFarlane mission are demonstrable evidence of the internal power struggle. The arrest of radical leader Mehdi Bazargan, a close confidant of Ayatollah Montezari, for acts of terrorism and treason has exacerbated the internal conflict. Our problem with the hostages is also complicated by waning Iranian influence in Lebanon due in part to financial constraints and the fact that the Libyans are expanding their contacts with more radical Hizballah elements.

It is important to note that since the initiation of the USG contact with Iran there has been no evidence of Iranian government complicity in acts of terrorism against the U.S. We believe that the September-October kidnappings of Reed, Cicippio, and Tracy were undertaken in an effort to undermine the nascent U.S.-Iranian strategic dialogue and exacerbate the internal Iranian power struggle. Further, Rafsanjani's speech on November 4 intentionally misrepresented a number of essential facts in order to preserve latitude for both parties. Throughout this process, the USG has acted within the limits of established policy and in compliance with all U.S. law. The shipment of 1,008 TOWs and 235 Hawk missile parts was undertaken under the provisions of a covert action Finding. All relevant Cabinet Officers have been apprised throughout. The Congress was not briefed on the covert action Finding due to the extraordinary sensitivity of the Iranian contacts and the potential consequences for our strategic position in Southwest Asia. Finally, our efforts to achieve the release of the hostages in Lebanon must continue to rely on discreet contacts and intermediaries who cannot perform if they are revealed.

TOP SECRET

TOP SECRET

DRAFT

A-68469

UNCLASSIFIED

TOP SECRET

In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, the four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. [REDACTED] Majlis Speaker Rafsanjani, who was travelling in the mid-east at the time, and Iranian Foreign Minister Velayati intervened with the captors. Rafsanjani, in his speech on November 4, 1986 for the first time publicly acknowledged his role in this matter.

In September of 1985, the Israelis advised that they were close to achieving a breakthrough on the hostage situation and would proceed unless we objected. It is important to note that the U.S. had long been aware of Israeli efforts to maintain discreet contact with Iran and to provide Iran with assistance in its war with Iraq. Despite long-term U.S. efforts to convince the Israelis to desist, Israel continued to provide limited military and industrial technology to Iran. The USG judged that the Israelis would persist in these secret deliveries, despite our objections, because they believed it to be in their strategic interests.

On August 22, 1985, the U.S., through the U.S. citizen intermediary, acquiesced in an Israeli delivery of military supplies (508 TOWs) to Tehran. We were subsequently informed that the delivery had taken place by the end of August, though we were not aware of the shipment at the time it was made. U.S. acquiescence in this Israeli operation was based on a decision at the highest level to exploit the existing Israeli channels with Tehran in an effort to establish an American strategic dialogue with the Iranian government.

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. This release was preceded by an intense effort on the part of Mr. Terry Waite, the Special Emissary of the Archbishop of Canterbury. To this date, Mr. Waite remains the only Westerner to ever meet directly with the Lebanese kidnapers.

On October 4, 1985, Islamic Jihad announced that it had "executed" Beirut Station Chief William Buckley in retaliation for the October 1 Israeli air raid on PLO installations in Tunis. This announcement led to a series of meetings in Europe among the U.S. (CIA and NSC), Israeli, and Iranian intermediaries. In these meetings, the Iranians indicated that, while their ability to influence the Hizballah was waning, the Hizballah had not killed Buckley; he had in fact died several months earlier of natural causes. We have since substantiated this information in debriefs of Father Jenco and David Jacobsen, both of whom indicate that Buckley probably died on June 3, 1985 of pneumonia-like symptoms.

TOP SECRET

UNCLASSIFIED

19-70

UNCLASSIFIED

Q2629

133- KAD

- Rep Roll Q: N's

- Did Leo say Power should

- never tell us that

- Was Leo ordered not to brief Cong.

you?

- Was Leo committed?

- Is it more to have an opinion
of this magnitude on by NSC?- Did this violate our export
control act- Did Israeli shipments on
our behalf violate laws.- Did set party limit
violate laws?- ~~Did set party limit~~

- Israel

- Did set Center help any
in form of our knowledge

- but we are doing

- Is this advice false

- Duff/Zoharoff

- Harniman

- Bygones

UNCLASSIFIED

19-71

See Hearing Exhibit 95A

Chapter 11, Footnotes 73, 80

From: NSRCM --CPUA
To: NSGJN --CPUA

Date and time 11/18/86 23:07:07

UNCLASSIFIED

19-73

NOTE FROM: ROBERT MCFARLANE

Subject: Chronology

*** Forwarding note from NSRCM --CPUA 11/18/86 23:06 ***

To: NSJMP --CPUA- JOHN N. POINDENTER

Partially Declassified/Released on 6 Jul 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

NOTE FROM: ROBERT MCFARLANE

SUBJECT: Chronology

I have just finished reading the chronology. Much of it is coming to me for the first time--primarily the material on what went on between Jan-May '86--and I am not really able to comment on how to deal with that.

It seems to me that I ought to limit my input to what I recall from my involvement before Jan '86 and then from the May meeting. In that context, I would recommend deleting all material starting on the 11/17 (2000) version at page three, penultimate para (i.e. In 1985, a private...) down through the third para on the following page (ending with...strategic dialogue with the Iranian government.) and replace with the following.

"In July of 1985, during a visit to Washington, an Israeli diplomat advised National Security Advisor, Robert McFarlane, that Israel had established a channel of communication with authoritative elements in Iran who were interested in determining whether the United States was open to a discreet, high level dialogue with them. The Iranians were described as comprising the principal figures of the government (i.e. Speaker of the Majlis Rafsanjani and Prime Minister Musavi) and as being devoted to a reorientation of Iranian policy.

At this first meeting, McFarlane went to great length to draw out the Israeli diplomat as to why he found the Iranian proposal credible, given the events of the past 6 years. He replied that their exhaustive analysis had gone beyond the surface logic deriving from the chaos and decline within Iran and the degenerative effects of the war, to more concrete tests of the willingness of the Iranians to take personal risks (i.e. by exposure of themselves in meetings with Israelis to compromise as well as by the transfer of extremely sensitive intelligence on the situation (and political lineup) within Iran; information which was proven valid).

cn

The Israeli asked for our position/agreeing to open such a dialogue. No mention was made of any pre-conditions or Iranian priorities. McFarlane conveyed this proposal to the President (in the presence of the Chief of Staff). The President said that he believed such a dialogue would be worthwhile at least to the point of determining the validity of the interlocutors. This was conveyed back to the Israeli diplomat.

Within days the Israeli called again on McFarlane. At this meeting, he stated that he had conveyed our position and that the Iranians had responded that recognizing the need for both sides to have tangible evidence of the bona fides of the other, that from their side they wanted us to know that they believed they could affect the release of the Americans held hostage in Lebanon.

As a separate matter the Iranians stated that they were vulnerable as a group and before having any prospect of being able to affect change within Iran they

UNCLASSIFIED

1489

~~UNCLASSIFIED~~

would need to be substantially strengthened. They would need to secure the cooperation of military and/or Revolutionary Guard leaders. Toward this end, they expressed the view that the most credible demonstration of their influence and abilities would be to secure limited amounts of US equipment. The Israeli asked for our position toward such actions.

Mr McFarlane elevated this proposition to the President at a meeting within days that included the Secretaries of State and Defense and the Director of Central Intelligence. The President stated that while he could understand that, assuming the legitimacy of the interlocutors, they would be quite vulnerable and ultimately might deserve our support to include tangible material, that at the time, without any first hand experience in dealing with them, he could not authorize any transfers of military material. This was conveyed to the Israeli.

Within days (mid August) the Israeli diplomat called once more to report that the message had been conveyed and that an impasse of confidence existed. He asked what the position of the US government would be to an Israeli transfer of modest quantities of material. McFarlane replied that to him, that would represent a distinction without a difference. The Israeli diplomat explained at great length that Israel had its own policy interests that would be served by fostering such a dialogue in behalf of the US but that a problem would arise when ultimately they needed to replace items shipped. He asked whether at that time Israel would be able to purchase replacement parts. McFarlane stated that again, the issue was not the ability of Israel to purchase military equipment from the US--they had done so for a generation and would do so in the future--but rather the issue was whether it was US policy to ship or allow others to ship military equipment to Iran. The Israeli asked for a position from our government. McFarlane elevated the question to the President (and to the Secretaries of State and Defense and the DCI). Again the President stated that while he could imagine the day coming when we might choose to support such elements with material, he could not approve any transfer of military material at that time. This position was conveyed to the Israeli diplomat.

On September 14, 1985, Reverend Benjamin Weir... (continue as written on page 4)

(At end of para, insert the following) We subsequently learned that in late August the Israelis had transferred 508 TOW missiles to Iran. Later in the fall, other transfers of equipment were made between Israel and Iran although some of the items were returned to Israel. McFarlane conveyed these reports to the President who directed that we insist on a direct meeting with the Iranian interlocutors while expressing our position against further arms transfers. A meeting was arranged to take place in London in early December. The President instructed McFarlane to represent the US at the meeting and to make two basic points: 1. That the US was open to a political dialogue with Iran; but that no such dialogue could make progress for as long as groups seen as dominated by Iran held US hostages, and 2. That we could under no circumstances transfer arms to Iran in exchange for hostages. These points were made to the Iranian interlocutor. He replied that unless his circle of associates were strengthened they could not risk going ahead with the exchanges. Mr. McFarlane acknowledged the position but stated we could not change our position and returned to Washington. He debriefed the President and appropriate Cabinet officers, recommending that no further action be pursued. He then left the government.

(Note: Enter at the appropriate place, the following account of RCM's involvement in the May meeting.)

In April, Mr McFarlane was contacted and ^{advised} / that further staff-level contacts had been pursued since he had left government that had led to an

~~UNCLASSIFIED~~

Arrangement for the release of the remaining hostages. He was asked whether he would be prepared to meet with Iranian officials to open the political dialogue. He agreed to do so and traveled to Iran in late May to do so. (Then pick up with existing text).

cc: NSAGK -CPUA ALTON G. KEEL

UNCLASSIFIED

UNCLASSIFIED

One page denied in its entirety.

UNCLASSIFIED

19-74

See Hearing Exhibit Singlaub-7

~~TOP SECRET~~
~~SECRET~~
~~CONFIDENTIAL~~
~~UNCLASSIFIED~~

(Historical Group 8942)

Chapter 19
FootnoteU.S./IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

19-74

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in this critical part of the world and reconstruct a working relationship. Even before President Reagan came to office the U.S. Government agreed to try to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. In the fall of 1979, the U.S. undertook three secret missions to Tehran:

- September 1979 - [REDACTED] (met secretly with Bazargan at the request of the Iranians)
- October 1979 - [REDACTED]
- October-November 1979 - [REDACTED] (discussed normalization of relations)

When these meetings and the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public in Iran, they helped precipitate the takeover of the U.S. Embassy by radical elements and led to the resignation of the Bazargan government. These events have adversely influenced Iran's subsequent willingness to engage in any direct contact with the USG.

Despite mutual difficulties involved in re-establishing normal relations, our strategic interests in the Persian Gulf mandate persistent efforts to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran.

Iran is the key to a region of vital importance to the West, yet it is increasingly threatened by growing Soviet military power and political influence along its borders and inside its territory. Over the course of the last two years, the Soviets and their surrogates have moved actively to gain greater influence in the Gulf:

- The Soviets believe that once Khomeini dies, they will have an excellent opportunity to influence the formation of a government in Tehran that serves Soviet strategic interests in the area.

~~TOP SECRET~~~~TOP SECRET~~

Declassify: OADR

1194

~~UNCLASSIFIED~~

Partially Declassified / Released on 22 June 1991
under provisions of E.O. 12356
by B. Reger, National Security Council

~~TOP SECRET~~

UNCLASSIFIED

N 42316

-- Communist nations have become the principal arms suppliers to Iran -- making Iran dependent on this source of supply in contending with an increasingly strengthened Iraq. This leads us to the conclusion that the Soviets may well be attempting to pursue their own revolution in Iran. That is, by fueling both sides in the conflict, the Soviets could well encourage a disastrous "final offensive" by Iran that would precipitate a political disintegration in Iran, leaving a power vacuum which the Soviets could exploit. Specifically, the indicators of Communist influence in Iran are:



The increasing desperation brought on by the costs of the Iran-Iraq war has exacerbated Iran's vulnerability to Soviet influence. Moreover, Soviet designs in Afghanistan, pressure on Pakistan, and actual crossborder strikes in Iran from Afghanistan have made reopening a strategic dialogue increasingly important.

~~TOP SECRET~~

UNCLASSIFIED

19-74

See Hearing Exhibit OLN-24

TOP SECRET~~UNCLASSIFIED~~N 5617
11/07/86

Chou

CHRONOLOGY OF EVENTS: U.S.-Iran Dialogue

Fox 19-75

1984

Michael Ledeen suggests to the NSC that Israeli contacts may be useful in obtaining release of the U.S. hostages in Lebanon. Ghorbanifar is introduced to Ledeen and the NSC as an Iranian intermediary.

1985

Feb 14: Jeremy Levin escaped.

Jun 14: TWA-847 hijacking. Last known instance of Iranian-supported terrorism against U.S. nationals.

Sep 1: [REDACTED]

① ~~Sep 30:~~

508 TOW missiles delivered to Iran (Tabriz?).

② → Sep 14: Reverend Benjamin Weir released.

Oct 03: Islamic Jihad claimed it murdered U.S. hostage William Buckley in retaliation for Israeli raids in Tunis. [REDACTED]

② Nov 24: Israel delivers 18 HAWK missiles to Iran.

Dec 20: Hostage Locating Task Force (HLTF) formed at CIA.

Dec 23: Nir became primary Israeli POC.

1986

Jan 06: Presidential Finding on Iran.

③ → Feb 14: U.S. delivers 1,000 TOWs to Iran via Israel. [REDACTED]

Apr 17: U.S. hostage Peter Kilburn murdered in retaliation for U.S. raid on Libya.

Apr 22: Ghorbanifar arrested in Switzerland for...

May 09: Planning meeting at CIA.

May 15: Terms of Reference (TOR) approved for establishing a strategic dialogue with Iran. U.S. objectives:

- Return U.S. hostages.
- End Iran-Iraq war.
- Establish a correct relationship with Iran.

TOP SECRET

Declassify: OADR

UNCLASSIFIED

Partially Declassified / Classified on 5/7/87
under provisions of E.O. 12356
by [REDACTED] / [REDACTED]

N 205
11/1/86
59

UNCLASSIFIED

N 5618

TOP SECRET

2

- ~~May 23:~~ U.S. delivers 508 TOWs to Israel (replacements).
- May 24: [REDACTED]
- May 25-27: McFarlane party to Tehran. Some of the 240 HAWK missile parts accompany the party.
- Jun 10: Rafsanjani news conference containing possible "signal" that Iran wanted improved relations with the U.S.
- Jul 26: Father Jenco released.
- ⑤ Aug 03: Remainder of 240 HAWK missile parts delivered to Tehran.
- Sep 19-20: Discussions in Washington with new Iranian intermediary.
- Oct 13: White House approves provision of intelligence to Iran [REDACTED]
- Oct 06: U.S. representatives meet Iranian representatives in Europe.
- Oct 26: Frankfurt meeting of U.S. and Iranian representatives.
- ③ Oct 29: 500 TOW missiles delivered to Iran *from Israel*.
- Nov 02: David Jacobsen released.
- Nov 07: 500 TOW missiles delivered to Israel (replacements).

TOP SECRET

UNCLASSIFIED

TOP SECRET

UNCLASSIFIED

17 Nov 86
-11/07/86

N 5619

CHRONOLOGY OF EVENTS: U.S.-Iran Dialogue

1984

Michael Ledeen suggests to the NSC that Israeli contacts may be useful in obtaining release of the U.S. hostages in Lebanon. Ghorbanifar is introduced to Ledeen and the NSC as an Iranian intermediary.

1985

Feb 14: Jeremy Levin escaped.

Jun 14: TWA-847 hijacking. Last known instance of Iranian-supported terrorism against U.S. nationals.

Sep 1: [REDACTED]

Sep 2: 500 TOW missiles delivered to Iran (Tabriz?).

Sep 14: Reverend Benjamin Weir released.

Oct 03: Islamic Jihad claimed it murdered U.S. hostage William Buckley in retaliation for Israeli raids in Tunis.

Nov 17-18

Nov 24: Israel delivers 18 HAWK missiles to Iran.

Dec 6-8

Dec 20: Hostage Locating Task Force (HLTF) formed at CIA.

Dec 23: Nir became primary Israeli POC.

1986

Jan 06: Presidential Finding on Iran.

Feb 5-7

Feb 14: U.S. delivers 1,000 TOWs to Iran via Israel.

Apr 17: U.S. hostage Peter Kilburn murdered in retaliation for U.S. raid on Libya.

Apr 22: Ghorbanifar arrested in Switzerland for...

May 09: Planning meeting at CIA.

May 15: Terms of Reference (TOR) approved for establishing a strategic dialogue with Iran. U.S. objectives:

- Return U.S. hostages.
- End Iran-Iraq war.
- Establish a correct relationship with Iran.

TOP SECRET

Declassify: OADR

UNCLASSIFIED

N 2054
12/14/86
LAC

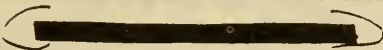
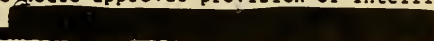
Classified on 5/2/87

UNCLASSIFIED

N 5620

TOP SECRET

2

May 22-28 *Meetings in London, Cyprus, & Tel Aviv.*
 May 23: U.S. delivers 508 TOWs to Israel (replacements).
 May 24: 
 May 25-27: McFarlane party to Tehran. Some of the 240 HAWK missile parts accompany the party.
 Jun 10: Rafsanjani news conference containing possible "signal" that Iran wanted improved relations with the U.S.
 Jul 16-18 *Meetings in Frankfurt.*
 Jul 26: Father Jenco released.
 Aug 03: Remainder of 240 HAWK missile parts delivered to Tehran.
 Aug 6 *Frankfurt meetings*
 Sep 19-20: Discussions in Washington with new Iranian intermediary.
 Sep 22-23 *Meetings in London.*
 Oct 03: White House approves provision of intelligence to Iran 
 Oct 5-7 *Frankfurt meetings*
 Oct 06: U.S. representatives meet Iranian representatives in Europe.
 Oct 26: Frankfurt meeting of U.S. and Iranian representatives.
 Oct 27-28 *Frankfurt meetings*
 Oct 29: 500 TOW missiles delivered to Iran *from Israel.*
 Nov 02: David Jacobsen released.
 Nov 07: 500 TOW missiles delivered to Israel (replacements).

TOP SECRET

UNCLASSIFIED

TOP SECRET

UNCLASSIFIED

N 5577
11/13/86 0100
(Maximum Version)

Chapter 10

Footnote

U.S./IRANIAN CONTACTS AND THE AMERICAN HOSTAGES

19-76

From the earliest months following the Islamic revolution in Iran, the U.S. Government has attempted to reestablish official contact with that government in order to discuss strategic developments in that critical part of the world and to try and reestablish a constructive working relationship. Even before President Reagan came to office the U.S. Government agreed to expand security, economic, political, and intelligence relationships at a pace acceptable to Tehran. When the secret November 1, 1979 meeting in Algiers, between Brzezinski and Prime Minister Bazargan, became public, radical elements in Tehran forced the ouster of the Bazargan government. That episode has influenced subsequent Iranian willingness to engage in any direct contact with the USG.

Despite Iranian reluctance to enter into a relationship with the USG, our strategic interests in the Persian Gulf mandate persistent efforts on our part to try to establish a dialogue. In this regard, it is notable that only a few major countries do not have relations with Iran -- Egypt, Jordan, Morocco, Israel, South Africa, and the United States. Even Iraq continues to have diplomatic relations with Iran.

Iran, the key to a region of vital importance to the ~~USG~~, is increasingly threatened by growing Soviet military and political influence along its borders and inside its country. The increasing desperation brought on by the costs of the Iran-Iraq war further exacerbates Iran's vulnerability to growing Soviet influence. Moreover, Soviet designs in Afghanistan, pressure on Pakistan, and actual crossborder strikes in Iran have made reopening a strategic dialogue increasingly important.

Since 1983, various countries have made overtures to the U.S. and Iran in an effort to stimulate direct contact.

Despite U.S. willingness to proceed, none of these overtures have succeeded.

Numerous individuals and private parties have likewise attempted to be helpful as intermediaries in arranging the release of our citizens held hostage in Lebanon.

TOP SECRET
Declassify: OADR

UNCLASSIFIED

N2047
12/14/84
Lg Kz

UNCLASSIFIED

" 0578

TOP SECRET

[REDACTED]

In 1985, a private American citizen was approached by a representative of the Israeli government, who reported that they had established a liaison relationship with an Iranian expatriate in Europe who sought Israeli help in establishing contact with the U.S. Government. In acknowledging the need to demonstrate the bonafides of the officials involved, he indicated that his "sponsors" in Tehran could also help to resolve the American hostage situation in Beirut.

The Israelis analyzed this intermediary's background exhaustively in order to validate his legitimacy. This analysis led them to have extremely high confidence in his standing and genuine relationship to the highest Iranian officials. Based largely upon the Israeli evaluation and in recognition of the clear U.S. interest in a dialogue that might, over time, lead to the moderation of Iranian policies, in 1985, the U.S. established an indirect contact with the Iranian intermediary, through the private U.S. citizen and a senior Israeli official. These contacts were established through the National Security Council staff with the full knowledge of appropriate Cabinet officers. From the very first meeting with the Israelis and the Iranian, it was emphasized that the USG could not proceed with direct contact unless Iran renounced terrorism as an instrument of State policy.

In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, the four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. Speaker of the Majlis, Rafsanjani, in his speech on November 4, 1986 for the first time publicly acknowledged his role in this matter.

In September of 1985, the Israelis advised that they were close to achieving a breakthrough on the hostage situation and would proceed unless we objected. It is important to note that the U.S. had long been aware of Israeli efforts to maintain discreet contact with Iran and to provide Iran with assistance in its war with Iraq. Despite long-term U.S. efforts to convince the Israelis to desist, Israel continued to provide limited military and industrial technology to Iran. The USG judged that the Israelis would persist in these secret deliveries, despite our objections, because they believed it to be in their strategic interests.

TOP SECRET

UNCLASSIFIED

UNCLASSIFIED

N 5579

TOP SECRET

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. This release was preceded by an intense effort on the part of Mr. Terry Waite, the Special Emissary of the Archbishop of Canterbury. To this date, Mr. Waite remains the only Westerner to ever meet directly with the Lebanese kidnapers.

~~_____~~ Shortly after Reverend Weir's release, the U.S. acquiesced in an Israeli delivery of military supplies (508 TOWs) to Tehran. U.S. acquiescence in this Israeli operation was based on a decision at the highest level to exploit the existing Israeli channels with Tehran in an effort to establish an American strategic dialogue with the Iranian government.

Throughout the remainder of 1985, the USG maintained contact with the Iranian expatriate. A number of meetings were conducted in Europe including NSC, CIA, Israeli, and Iranian representatives. From the outset, the U.S. side sought to arrange a direct meeting with high-level Iranian officials. In December, 1985, the National Security Advisor met with the Israeli official and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At this meeting, Mr. McFarlane stated that our goals were as follows:

- Ending the Iran-Iraq War on honorable terms.
- Convincing Iran to cease its support for terrorism and radical subversion.
- Helping ensure the territorial integrity of Iran and coordinating ways in which we might counter Soviet activities in the region.

He made clear that any such dialogue could not develop without the prior release of U.S. hostages. He also made clear that we could not engage in trading arms for hostages.

In January, 1986, the President approved a covert action Finding directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above. The escalation of tensions with Libya, including the April 14 strike, prevented further dialogue from taking place until the Iranians contacted the intermediary (Gorbanifar) in late April, 1986. At that point, the Iranian expatriate advised us that the leadership in Tehran was prepared to commence a secret dialogue with the United States along the lines of our established goals. We believe that the Iranians were stimulated to renew the contact by the murder of hostage Peter Kilburn ~~_____~~ allegedly in retaliation for the U.S. raid on Libya. The Iranian expatriate told the NSC and CIA officers, who met with him, that the Iranians did not wish to be accused of any culpability in Kilburn's death.

TOP SECRET

UNCLASSIFIED

UNCLASSIFIED

N 5580

TOP SECRET

On May 15, the President authorized a secret mission to Tehran by former National Security Advisor McFarlane, accompanied by a CIA officer, members of the NSC staff, and the Israeli and Iranian interlocutors. In order to ensure operational security, the trip was made from Israel, coincident with the delivery of a pallet of spare parts for Iranian defensive weapons systems (HAWK spare parts). At the specific of Iran, alias foreign documentation was obtained from the CIA.

In the course of this four-day visit, lengthy meetings were held with high-level Iranian officials, the first direct contact between the two governments in over six years. Mr. McFarlane and his team were able to establish the basis for a further relationship and clearly articulate our objectives, concerns, and intentions. The group was also able to assess first hand the internal political dynamic in Tehran and the effect of the war which Iran clearly can no longer win. Using Presidentially approved Terms of Reference, which had been reviewed and approved by appropriate Cabinet officers, McFarlane emphasized that our interest in Iran transcended the hostages, but the continued detention of hostages by a Lebanese group philosophically aligned with Iran prevented progress. During the visit, Mr. McFarlane made clear:

- that we fundamentally opposed Iranian efforts to expel us from the Middle East;
- that we firmly opposed their use of terrorism;
- that we accepted their revolution and did not seek to reverse it;
- that we had numerous other disagreements involving regional policies (i.e., Lebanon, Nicaragua, etc.), but might also find areas of common interest (i.e., Afghanistan) through dialogue.

The Iranians emphasized that the U.S. embargo on hardware paid for by the Shah was, for them, the most significant deterrent to improved relations. Mr. McFarlane concluded the visit by summarizing that notwithstanding Iranian interest in carrying on with the dialogue, we could not proceed in light of their failure to exert their influence to cause the release of the hostages.

On June 10, Majlis Speaker Rafsanjani, in a speech in Tehran made guarded reference to Iranian interest in improved relations with the U.S. On July 26, Father Lawrence Jenco was released in the Bekka Valley and found his way to a Syrian military checkpoint. On August 3, a plane load of electronic parts for Iranian anti-aircraft defenses (HAWK missile sub-components) arrived in Bandar Abbas (from Israel).

TOP SECRET

UNCLASSIFIED

Small

UNCLASSIFIED

N 5581

TOP SECRET

In early August, the contact with the Iranian expatriate began to focus exclusively on the willingness of the USG to provide military assistance to Iran in exchange for hostages and we sought to establish different channels of communication which would lead us more directly to pragmatic and moderate elements in the Iranian hierarchy. In mid-August, a private American citizen (MGEN Richard Secord, USAF (Ret.)) acting within the purview of the January Covert Action Finding, made contact in Europe with a relative [redacted] of a senior Iranian official (Rafsanjani). In early September, discussions were initiated in Washington with this close confidant of the man judged to be the most influential and pragmatic political figure in Iran (Rafsanjani). These discussions reaffirmed the basic objectives of the U.S. in seeking a political dialogue with Tehran. We also provided intelligence designed to discourage an Iranian offensive and contribute to an Iranian decision to negotiate an end to the war. //

Through August, September, and October, further meetings were held in Europe between U.S. and Iranian representatives. During these sessions, the U.S. side consistently insisted that the release of the hostages was a pre-requisite to any progress. The Iranians, for their part, urged that we take a more active role

[redacted] The Iranians also proffered, and the U.S. accepted, the offer of a Soviet T-72 tank [redacted]. As a further demonstration of U.S. good faith, Israel provided Iran with an additional increment (500 TOW missiles) of these defensive weapons on October 29. *we expect to make progress in a few*

Soon thereafter, the moderate faction in Iran prevailed over more radical elements to use their influence over the Hizballah, enabling the November 2 release of David Jacobsen. Jacobsen's release was assisted by the efforts of Terry Waite, who was on-scene in Beirut when it occurred. *us*

The persistent U.S. effort to establish contact with Iran has intensified a power struggle in Iran between moderate elements (led by Rafsanjani) and more radical factions (under the overall sponsorship of Ayatollah Montazeri). In late October, radical supporters (of Montazeri) revealed the (Rafsanjani) contact with the USG and the terms of the contact. In order to defend himself against charges of colluding with the USG and to preserve a degree of latitude for both parties, Majlis Speaker Rafsanjani provided a highly fabricated version of the McFarlane mission in his November 4 address to the masses. Moderate Iranian political leaders now feel constrained to settle their internal political problems before proceeding with the U.S. relationship. The *ADD MORE DATA ON MODS MOVE IN*

TOP SECRET

UNCLASSIFIED

UNCLASSIFIED

N 5582

TOP SECRET

revelations in Tehran regarding the McFarlane mission are demonstrable evidence of the internal power struggle. The arrest of radical leader Mehdi Hashemi, a close confidant of Aytollah Montezari, for acts of terrorism and treason has further exacerbated the internal conflict. Resolution of the Lebanon hostage situation is also complicated by waning Iranian influence in Lebanon due in part to financial constraints and the fact that the Libyans are expanding their contacts with more radical Hizballah elements. Despite these difficulties, the Iranians have maintained direct contact with the USG. U.S. (CIA and NSC) and Iranian government representatives met in Germany on November 5-7 and again in Geneva on November 9-10.

It is important to note that since the initiation of the USG contact with Iran there has been no evidence of Iranian government complicity in acts of terrorism against the U.S.* Throughout this process, the USG has acted within the limits of established policy and in compliance with all U.S. law. The shipment of 1,008 TOWs and 235 HAWK missile parts was undertaken under the provisions of a covert action Finding. The weapons and materiel provided under this program are in no way adequate to alter the balance of military power nor the outcome of the war with Iraq. They have, however, had a positive effect on the Afghan resistance and demonstrated the U.S. commitment to Iranian territorial integrity.

All appropriate Cabinet Officers have been apprised throughout. The Congress was not briefed on the covert action Finding due to the extraordinary sensitivity of our Iranian contacts and the potential consequences for our strategic position in Southwest Asia. Finally, our efforts to achieve the release of the hostages in Lebanon must continue to rely on discreet contacts and intermediaries who cannot perform if they are revealed.

- * Note: We believe that the September-October kidnappings of Messers. Reed, Cicippio, and Tracy were undertaken in an effort to undermine the nascent U.S.-Iranian strategic dialogue and exacerbate the internal Iranian power struggle against the moderate faction with which we have been in contact.

Contrary to speculative reports that these hostages were taken in order to stimulate the acquisition of more arms, they were most likely captured in order to prevent the very rapprochement with Iran we are seeking.

TOP SECRET

UNCLASSIFIED

~~UNCLASSIFIED~~

N 8254 19-77

TOP SECRET

In June of 1985, in the midst of the TWA-847 hijacking, the Israeli officials in direct contact with the Iranian expatriate asked him to use his influence with senior Iranian officials to obtain the release of the hijacked passengers. Two days after this approach, four Americans held separately from the rest of the hijacked passengers were freed and turned over to Syrian authorities. [redacted] Majlis Speaker Rafsanjani, who was travelling in the mid-east at the time, and Iranian Foreign Minister Velayati both intervened with the captors. Rafsanjani, in his speech on November 4, 1986, for the first time publicly acknowledged his role in this matter.

In September of 1985, the Israelis advised that they were close to achieving a breakthrough in their contact with Iran and would proceed unless we objected. It is important to note that the U.S. had long been aware of Israeli efforts to maintain discreet contact with Iran and to provide Iran with assistance in its war with Iraq. Despite long-term U.S. efforts to convince the Israelis to desist, Israel continued to provide limited military and industrial technology to Iran. The USG judged that the Israelis would persist in these secret deliveries, despite our objections, because they believed it to be in their strategic interests.

On August 22, 1985, the U.S., through the U.S. citizen intermediary, acquiesced in an Israeli delivery of military supplies (508 TOWs) to Tehran. We were subsequently informed that the delivery had taken place at the end of August, though we were not aware of the shipment at the time it was made. U.S. acquiescence in this Israeli operation was based on a decision at the highest level to exploit existing Israeli channels with Tehran in an effort to establish an American strategic dialogue with the Iranian government.

On September 14, 1985, Reverend Benjamin Weir was released in Beirut by the Islamic Jihad Organization. This release was preceded by an intense effort on the part of Mr. Terry Waite, the Special Emissary of the Archbishop of Canterbury. To this date, Mr. Waite remains the only Westerner to ever meet directly with the Lebanese kidnapers. [redacted]

On October 4, 1985, Islamic Jihad announced that it had "executed" Beirut Station Chief William Buckley in retaliation for the October 1 Israeli air raid on PLO installations in Tunis. This announcement led to a series of meetings in Europe among the U.S. (CIA and NSC), Israeli, and Iranian intermediaries. In these meetings, the Iranians indicated that, while their ability to influence the Hizballah was waning, the Hizballah had not killed

TOP SECRET

UNCLASSIFIED

E-115
12/17/85
g

TOP SECRETTOP SECRET
UNCLASSIFIED

N 8255

Buckley; he had in fact died several months earlier of natural causes. We have since substantiated this information in debriefs of Father Jenco and David Jacobsen, both of whom indicate that Buckley probably died on June 3, 1985 of pneumonia-like symptoms.

In late November 1985, the Israelis, responding to urgent entreaties from the Iranians, provided 18 HAWK missiles to Iran in order to improve the static defenses around Tehran. The Israeli delivery of HAWK missiles raised U.S. concerns that we could well be creating misunderstandings in Tehran and thereby jeopardizing our objective of arranging a direct meeting with high-level Iranian officials. By mutual agreement of all three parties, these missiles were subsequently returned to Israel in February 1986. On December 8, 1985, the National Security Advisor met (in London) with the Israeli official and the Iranian contact to make clear the nature of our interest in a dialogue with Iran. At this meeting, Mr. McFarlane stated that our goals were as follows:

- Devising a formula for re-establishing a strategic relationship with Tehran.
- Ending the Iran-Iraq War on honorable terms.
- Convincing Iran to cease its support for terrorism and radical subversion.
- Helping ensure the territorial integrity of Iran and coordinating ways in which we might counter Soviet activities in the region.

Mr. McFarlane made clear that a Western dialogue with Iran would be precluded unless Iran were willing to use its influence to achieve the release of Western hostages in Beirut. He also made clear that we could not and would not engage in trading arms for hostages.

On January 17, 1986, the President approved a covert action finding directing that the intelligence community proceed with special activities aimed at accomplishing the goals set forth above. In accord with extant statutes, the President directed that the Director of Central Intelligence refrain from reporting the finding to the appropriate committees of the Congress until reasonably sure that the lives of those carrying out the operation (both U.S. and foreign) would not be in jeopardy.

On February 5-7, U.S. officials (NSC and CIA [redacted]) a representative of the Israeli Prime Ministry (Amiram Nir), and a senior-level Iranian official [redacted]

TOP SECRETTOP SECRET
UNCLASSIFIEDE 116
12/17/86
K

19-77

See Hearing Exhibits OLN-19 and JMP-95

19-78

See Hearing Exhibits OLN-20 and JMP-96

From: NSRCM --CPUA
To: NSCIN --CPUA

Chapter A, Footnotes 73, 80
and time 11/18/86 23:07:07

UNCLASSIFIED

19-80

NOTE FROM: ROBERT MCFARLANE

Subject: Chronology

*** Forwarding note from NSRCM --CPUA 11/18/86 23:06 ***
To: NSJMP --CPUA- JOHN M. POINDEXTER

Partially Declassified/Released on 6 Jul 1987
under provisions of E.O. 12356
by G. Reger, National Security Council

NOTE FROM: ROBERT MCFARLANE

SUBJECT: Chronology

I have just finished reading the chronology. Much of it is coming to me for the first time--primarily the material on what went on between Jan-May '86--and I am not really able to comment on how to deal with that.

It seems to me that I ought to limit my input to what I recall from my involvement before Jan '86 and then from the May meeting. In that context, I would recommend deleting all material starting on the 11/17 (2000) version at page three, penultimate para (i.e. In 1985, a private...) down through the third para on the following page (ending with...strategic dialogue with the Iranian government.) and replace with the following.

"In July of 1985, during a visit to Washington, an Israeli diplomat advised National Security Advisor, Robert McFarlane, that Israel had established a channel of communication with authoritative elements in Iran who were interested in determining whether the United States was open to a discreet, high level dialogue with them. The Iranians were described as comprising the principal figures of the government (i.e. Speaker of the Majlis Rafsanjani and Prime Minister Musavi) and as being devoted to a reorientation of Iranian policy.

At this first meeting, McFarlane went to great length to draw out the Israeli diplomat as to why he found the Iranian proposal credible, given the events of the past 6 years. He replied that their exhaustive analysis had gone beyond the surface logic deriving from the chaos and decline within Iran and the degenerative effects of the war, to more concrete tests of the willingness of the Iranians to take personal risks (i.e. by exposure of themselves in meetings with Israelis to compromise as well as by the transfer of extremely sensitive intelligence on the situation (and political lineup) within Iran; information which was proven valid).

cn

The Israeli asked for our position/agreeing to open such a dialogue. No mention was made of any pre-conditions or Iranian priorities. McFarlane conveyed this proposal to the President (in the presence of the Chief of Staff). The President said that he believed such a dialogue would be worthwhile at least to the point of determining the validity of the interlocutors. This was conveyed back to the Israeli diplomat.

Within days the Israeli called again on McFarlane. At this meeting, he stated that he had conveyed our position and that the Iranians had responded that recognizing the need for both sides to have tangible evidence of the bona fides of the other, that from their side they wanted us to know that they believed they could affect the release of the Americans held hostage in Lebanon.

As a separate matter the Iranians stated that they were vulnerable as a group and before having any prospect of being able to affect change within Iran they

UNCLASSIFIED

1489

~~UNCLASSIFIED~~

would need to be substantially increased. They would need to secure the cooperation of military and/or Revolutionary Guard leaders. Toward this end, they expressed the view that the most credible demonstration of their influence and abilities would be to secure limited amounts of US equipment. The Israeli asked for our position toward such actions.

Mr McFarlane elevated this proposition to the President at a meeting within days that included the Secretaries of State and Defense and the Director of Central Intelligence. The President stated that while he could understand that, assuming the legitimacy of the interlocutors, they would be quite vulnerable and ultimately might deserve our support to include tangible material, that at the time, without any first hand experience in dealing with them, he could not authorize any transfers of military material. This was conveyed to the Israeli.

Within days (mid August) the Israeli diplomat called once more to report that the message had been conveyed and that an impasse of confidence existed. He asked what the position of the US government would be to an Israeli transfer of modest quantities of material. McFarlane replied that to him, that would represent a distinction without a difference. The Israeli diplomat explained at great length that Israel had its own policy interests that would be served by fostering such a dialogue in behalf of the US but that a problem would arise when ultimately they needed to replace items shipped. He asked whether at that time Israel would be able to purchase replacement parts. McFarlane stated that again, the issue was not the ability of Israel to purchase military equipment from the US--they had done so for a generation and would do so in the future--but rather the issue was whether it was US policy to ship or allow others to ship military equipment to Iran. The Israeli asked for a position from our government. McFarlane elevated the question to the President (and to the Secretaries of State and Defense and the DCI). Again the President stated that while he could imagine the day coming when we might choose to support such elements with material, he could not approve any transfer of military material at that time. This position was conveyed to the Israeli diplomat.

On September 14, 1985, Reverend Benjamin Weir... (continue as written on page 4)

(At end of para, insert the following) We subsequently learned that in late August the Israelis had transferred 508 TOW missiles to Iran. Later in the fall, other transfers of equipment were made between Israel and Iran although some of the items were returned to Israel. McFarlane conveyed these reports to the President who directed that we insist on a direct meeting with the Iranian interlocutors while expressing our position against further arms transfers. A meeting was arranged to take place in London in early December. The President instructed McFarlane to represent the US at the meeting and to make two basic points: 1. That the US was open to a political dialogue with Iran; but that no such dialogue could make progress for as long as groups seen as dominated by Iran held US hostages, and 2. That we could under no circumstances transfer arms to Iran in exchange for hostages. These points were made to the Iranian interlocutor. He replied that unless his circle of associates were strengthened they could not risk going ahead with the exchanges. Mr. McFarlane acknowledged the position but stated we could not change our position and returned to Washington. He debriefed the President and appropriate Cabinet officers, recommending that no further action be pursued. He then left the government.

(Note: Enter at the appropriate place, the following account of RCM's involvement in the May meeting.)

In April, Mr McFarlane was contacted and / advised that further staff-level contacts had been pursued since he had left government that had led to an

~~UNCLASSIFIED~~

Arrangement for the release of the remaining hostages. He was asked whether he would be prepared to meet with Iranian officials to open the political dialogue. He agreed to do so and traveled to Iran in late May to do so. (Then pick up with existing text).

cc: NSAGK -CPUA ALTON G. KEEL

UNCLASSIFIED

UNCLASSIFIED

One page denied in its entirety.

UNCLASSIFIED

TOP SECRET~~UNCLASSIFIED~~

N 5667

November 18, 1986

Chapter

Footnote 19-82

CHRONOLOGY OF EVENTS: U.S.-Iran Dialogue1984

Michael Ledeen suggested to the NSC that Israeli contacts may be useful in obtaining release of the U.S. hostages in Lebanon. Ghorbanifar was introduced to Ledeen and the NSC as an Iranian intermediary.

1985

Feb 14: Jeremy Levin escaped.

Jun 14: TWA-847 hijacking. Iranian government officials, contacted by Israelis and Ghorbanifar, help in obtaining the release of four Americans held separately from the rest of the hijacked passengers. Last known instance of Iranian influenced group perpetrating terrorism against U.S. nationals.

Aug 30: 508 TOW missiles delivered to Iran from Israel.

Sep 01: [REDACTED]

Sep 14: Reverend Benjamin Weir released.

Oct 04: Islamic Jihad claimed it murdered U.S. hostage William Buckley in retaliation for Israeli raids in Tunis.

Nov 17-18: Meetings in London with Waite and Ghorbanifar.

Nov 24: Israel delivers 18 HAWK missiles to Iran [REDACTED]

Dec 06-08: Meeting in London with....

Dec 20: Hostage Locating Task Force (HLTF) formed at CIA.

Dec 22: Ghorbanifar to U.S. for talks with U.S. officials.

Dec 23: Nir became primary Israeli POC.

TOP SECRET

Declassify: OADR

~~UNCLASSIFIED~~

Not to be used/ released on 2/24/1987
 Date 10/18/86 by [REDACTED]
 [REDACTED]

N 2062
 12/4/86
 1/2
 19.

UNCLASSIFIED

N 5668

TOP SECRET

2

1986

- Jan 06: Presidential Finding on Iran.
- Feb 05-07: Meetings in Geneva with Nir and Ghorbanifar (CIA and NSC).
- Feb 19-21: Meetings in London and Frankfurt (Ghorbanifar [REDACTED])
- Feb 14: U.S. delivers 1,000 TOWs to Israel.
- Feb 20-21: 1,000 TOWs delivered to Tehran from Israel.
- Apr 17: U.S. hostage Peter Kilburn murdered in retaliation for U.S. raid on Libya.
- Apr 22: Ghorbanifar arrested in Switzerland for indebtedness apparently related to the FBI sting of arms sales to Iran by private citizens from the U.S., Germany, and Israel.
- May 09: Planning meeting at CIA.
- May 15: Terms of Reference (TOR) approved for establishing a strategic dialogue with Iran. U.S. objectives:
- Establish a correct relationship with Iran.
 - End Iran-Iraq war.
 - Return U.S. hostages.
- May 22-28: Meetings in London ([REDACTED]), Cyprus ([REDACTED]), and Tel Aviv (Nir and Rabin).
- May 23: U.S. delivers 503 TOWs to Israel (replacements).
- May 24: [REDACTED]
- May 25-27: McFarlane party to Tehran. Some of the 240 HAWK missile parts accompany the party.
- Jun 10: Rafsanjani news conference containing possible "signal" that Iran wanted improved relations with the U.S.
- Jun 30-Jul 02: Ghorbanifar in U.S. for discussions with CIA and NSC.

TOP SECRET

TOP SECRET

Feb
- Return of
HAWK
to Israel
- PER'S
Letter

UNCLASSIFIED N 5669

TOP SECRET

Jul 26-28: Meetings in Frankfurt (Ghorbanifar, Nir, NSC, and CIA).

Jul 26: Father Jenco released.

Aug 03: Remainder of 240 HAWK missile parts delivered to Tehran.

Aug 06: Frankfurt meetings.

Aug 10: Initial contacts with [REDACTED] in Madrid and London.

Sep 19-20: Discussions in Washington with new Iranian intermediary (NSC and CIA).

Sep 22-23: Meetings in London (CIA, NSC with Nir).

Oct 03: White House approves provision of intelligence to Iran. [REDACTED]

Oct 05-07: Frankfurt meetings (CIA, NSC, [REDACTED]).

Oct 26-28: Frankfurt (Mainz) meetings of U.S. and Iranian representatives (CIA, NSC, Israeli rep [Nir], and [REDACTED]).

Oct 29: 500 TOW missiles delivered to Iran from Israel.

Nov 02: David Jacobsen released.

Nov 05-07: Meetings in Geneva with [REDACTED] (NSC and CIA).

Nov 07: 500 TOW missiles delivered to Israel (replacements).

UNCLASSIFIED

TOP SECRET

UNCLASSIFIED

N 5679

Chapter
Factnal 19-83TOP SECRET

12

[REDACTED]

Despite these internal difficulties and attendant publicity in the Western media, the Iranians continue to maintain direct contact with the USG and met again in Geneva on November 9-10 with NSC and CIA representatives.

[REDACTED]

It is important to note that since the initiation of the USG contact with Iran there has been no evidence of Iranian government complicity in acts of terrorism against the U.S. We believe that the September-October kidnappings of Messers. Reed, Cicippio, and Tracy were undertaken in an effort to undermine the nascent U.S.-Iranian strategic dialogue and exacerbate the internal Iranian power struggle against the moderate faction with which we have been in contact.

[REDACTED]

Contrary to speculative reports that these hostages were taken in order to stimulate the acquisition of more arms, they were most likely captured in order to prevent the very rapproachment with Iran we are seeking.

Throughout this process, the USG has acted within the limits of established policy and in compliance with all U.S. law. The shipment of 2,008 U.S. TOWs and 235 HAWK missile parts was undertaken under the provisions of a covert action Finding.

During the course of this operation -- and before -- the U.S. was cognizant of only two shipments from Israel to Iran. Specifically,

- The Israelis acknowledged the August 1985 shipment of 508 TOWs after it had taken place. Until we were advised by the Israelis, and had the information subsequently confirmed by Iranian authorities, we were unaware of the composition of the shipment. We subsequently agreed to replace these TOWs in May of 1986.
- The October 1986 shipment of 500 TOWs from Israel to Iran was undertaken with U.S. acquiescence. These TOWs were replaced on November 7.
- The November 1985 shipment of 8 Israeli HAWK missiles was not an authorized exception to policy. This shipment was eventually retrieved in February 1986 as a consequence of U.S. intervention.

TOP SECRET

UNCLASSIFIED

19-84

See Hearing Exhibit OLN-24

CHAPTER 20. NOVEMBER 1986: THE ATTORNEY GENERAL'S INQUIRY

COPY
UNCLASSIFIED

ch. 20 #3

20-3

Appointment Schedule
Admiral Poindexter Phone Calls
November 21, 1986

October							November							December							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
			1	2	3	4						1				1	2	3	4	5	6
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13	
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20	
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27	
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31				
							30														

Friday 11/21

7:20AM
9:22AM
10:40AM
11:16AM
11:25AM
NOTES:

Talked with Director Casey on Secure
CPL-AG Meese (before you see the President) on Secure
CPL-Adm. Stansfield Turner [REDACTED]
CPL [REDACTED] (Kee) talked at 11:30)
General Second (at Noon: [REDACTED])
REMINDEES
- Call Dr. Brzezinski (Trudy)
- Call Jeane Kirkpatrick
- Call Brent Scowcroft (Eva)
OUTSTANDING
11/18-Judge Clark [REDACTED]

Partially Declassified/Released on 4/20/88
under provisions of E.O. 12356
by K. Johnson, National Security Council

4967

November 21, 1986

Page 1 of 1

UNCLASSIFIED

UNCLASSIFIED

Ch. 20 # 23

20-23

Appointment Schedule,
Admiral Poindexter
November 21, 1986

October							November							December						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	1	2	3	4	5	6		
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31			
							30													

Friday 11/21

7:30AM 8:50AM House Permanent Select Committee on Intelligence - Sit Rm
DOM (McDaniel to attend)
9:00AM 10:30AM Senate Select Committee on Intelligence - Sit Rm
10:00AM 10:30AM (P/Mtg w/Senators Robert Dole & Robert Byrd - Oval)
10:30AM P/NSB (Keel handled)
10:45AM 10:50AM P/Photo-Op w/Pres Namphy of Haiti - Oval (Keel handled)
11:25AM 11:30AM Don Regan's ofc to see Larry Speakes
11:30AM 12:15PM President (Oval)
12:15PM 12:25PM Returned with AG Meese
1:00PM 1:27PM P/Mtg w/Sec Weinberger - Oval
1:27PM 1:55PM Ron Sable & Paul Thompson
1:30PM 1:45PM (P/Photos w/Departing Ambassadors - Oval)
1:45PM 2:00PM (P/Photos w/US Ambassadors - Oval)
1:55PM 1:58PM Photo w/Richard Levine, Sylvia Levine, mother & Ann Diamond,
Aunt
2:25PM 2:32PM Ollie North
3:30PM 4:20PM [REDACTED] (CIA) w/PBThompson

NOTES:

P/CD SEE PAGE TWO

Partially Declassified/Released on 4 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

4968

November 21, 1986

Page 1 of 1

UNCLASSIFIED

UNCLASSIFIED

20-37

Q 2640

- 1951 - ...
- Isidore came to talk to us
- and ...
- ...
- ...
- ...
- U.S. ...
- ...
- ...

- 1955 - ...
- ...
- ...
- ...
- ...
- ...
- 1968 - ...
- ...

UNCLASSIFIED

20-39

See Hearing Exhibits OLN-69A, JMP-81, and DTR-5

20-39

UNCLASSIFIED

2500086

Mr. - statement being

• What basis did you use

• Work possible and to an extent and successful

• Early phase stage

• Contact to C. in X-100

• All worked out about bank

• Reported in connection in about on your eye.

• talked about 3 weeks ago

• were told in that / were X-100

• were told these were hostages.

• I cannot back this story.

Declassified/Released on 12/28/88
under provisions of E.O. 12333
by B. Reiger, National Security Council

4383

UNCLASSIFIED

UNCLASSIFIED

25 Nov 86

- Re sent to A.C.
- Per De
- 60% conf. of our
- Part made Dr to
- did not go to IS.
- Saw to his that
- for the next to capture
- To have not served
- in our such as
- conduct
- that to show this
- and see of carrying
- support - long time
- since in what
- and have to close
- long time support
- for our carrying is
- at stake
- we do have kept
- out

Declassified / Release on 1/23/22
 under E.O. 12356
 EXECUTIVE SECRETARIAT

(304)

UNCLASSIFIED

- If there was such a
 thing as a "war" we did
 not have to pay?

UNCLASSIFIED

Cha
Foot 20-567/26/87
12:18 p.m.

CHRONOLOGY OF
NOVEMBER 20-25, 1986
JUSTICE DEPARTMENT INQUIRY

Thursday, November 20.

- 8:45 a.m. - 9:00 a.m.:
Meese joins staff meeting with Cooper and Richardson.
- _____ - _____ (pre-10:15 a.m.):
Meese calls Casey.
- 12:00 p.m. - 1:15 p.m.:
Meese, Cooper, Reynolds, Bolton, Richardson-have luncheon meeting re: Casey testimony.
- 1:30 p.m. - 3:00 or 3:30 p.m.:
Meese, Casey, Gates, Poindexter, North, Cooper, and Thompson meet in Poindexter's office re: Casey testimony. Cooper discovers discrepancy in testimony.
- 3:27 p.m. - _____:
Burns returns a call from Sofaer, who advises him of problems with Casey testimony.
- 3:50 p.m. - _____:
Burns tells Sofaer that the Attorney General has been advised of problems, but that Meese is aware of facts that explain everything.
- 3:30 p.m. - 5:45 p.m.:
Cooper is called into Wallison's office, with Thompson. Sofaer calls during meeting to say there is a problem with Casey's testimony. Sofaer tells Cooper he has spoken to Burns and is not satisfied with the response.
- 6:30 p.m. - 7:00 p.m.:
Sofaer calls Cooper about his concerns. Tells Cooper of contemporaneous State Department notes contradicting Casey's proposed testimony. Sofaer threatens to have the State Department (testifying with Casey) dispute any false statements made at the hearing and also says he will resign unless testimony corrected.

Partially Declassified/Released on 1/22/87
under provisions of E.O. 12356
of B. Reiger, National Security Council

4380

UNCLASSIFIED

UNCLASSIFIED

2

- 10:30 p.m. - 11:00 p.m.:
Cooper calls Meese at West Point and passes on concerns, including existence of State Department notes. Meese agrees that more serious inquiry in order and says he will return to Washington. Instructs Cooper to call Poindexter.
- 11:00 p.m. - ____:
Cooper calls Poindexter and states that testimony cannot go forward as is. Poindexter states that he had tried to reach Casey who was too groggy to discuss the matter.
- 11:28 p.m. - ____:
Cooper advises Sofaer that he has spoken to Meese.
- ____ - ____:
Shultz advises Reagan that some Administration statements will not stand up under scrutiny.

Friday, November 21.

- 7:20 a.m. - ____:
Casey speaks to Poindexter.
- 8:00 a.m. - 8:30 a.m.:
Cooper meets with Casey and Doherty re: testimony. Casey accepts revisions without comment. Jameson whispers to Cooper that there is evidence that the pilot knew there was military equipment on November 1985 shipment.
- 8:30 a.m. - ____:
DOJ staff meeting. Weld argues for Criminal Division inquiry.
- 9:00 a.m. - ____:
Casey testifies before House Intelligence Committee.
- 9:15 a.m. - 10:45 or 11:15 a.m.:
Meese, Burns, Reynolds, Cooper, Richardson meet. Meese decides to go to the President and recommend that he be commissioned to gather the facts.
- 9:22 a.m. - ____:
Meese calls Poindexter on secure phone and advises that he will ask President to authorize fact-finding. Requests that Regan and Poindexter join him at meeting with Reagan.

UNCLASSIFIED

UNCLASSIFIED

3

- 11:00 a.m. - _____:
McFarlane meets with Ledeen at Ledeen's house.
North arrives at 12:30 p.m. and meets with Ledeen
for 5 minutes. McFarlane drives North downtown
during which time North expresses concern that
President be protected and tells him that he will
have a shredding party.
- 11:17 a.m. - _____:
Meese receives call from Poindexter.
- 11:25 a.m. - _____:
Secord calls Poindexter.
- 11:30 a.m. - 3:00 p.m.:
Casey testifies before Senate Intelligence
Committee.
- 11:30 a.m. - 12:15 p.m.:
Reagan meets with Meese, Regan, and Poindexter to
discuss need for complete overview. Meese
assigned task and told to report to NSPG on 11/24
at 2:00 p.m.
- 12:15 p.m. - 12:25 p.m.:
Meese and Poindexter meet. According to Robert
Earl, North also meets with Meese, and asks
whether he has 24 or 48 hours.
- 12:29 p.m. - _____:
Poindexter calls North.
- 12:45 p.m. - 1:45 p.m.:
Meese, Reynolds, Cooper, Richardson, and Bolton
(?) have lunch. Meese assembles a team of lawyers
"who had experience in this type of matter" and
makes list of those to talk to.
- 1:30 p.m. - _____:
North meets with Poindexter.
- 1:45 p.m. - 2:15 p.m.:
Meese has "discussion" with Webster and they
"agree" that the situation is not criminal in
nature and therefore it is not appropriate to
involve the FBI.
- 2:15 or 2:25 p.m. - 2:55 p.m.:
Meese, Reynolds, Cooper, Richardson, Bolton, and
Eastland meet. Bolton briefs them on Casey
testimony. Reynolds' notes of meeting indicate
diversion of TOW missiles to contras is discussed.

UNCLASSIFIED

UNCLASSIFIED

- 2:25 p.m. - 2:32 p.m.:
North meets with Poindexter. After this meeting, or the one at 1:30 p.m., North returns to his office, and directs Fawn Hall to alter documents.
- 2:28 p.m. - _____:
Meese calls McFarlane.
- 2:58 p.m. - 3:00 p.m.:
Meese calls Poindexter on secure phone. Advises Poindexter that he will send over a "couple of his people" to review documents. Thereafter, Poindexter speaks to Thompson and North. North indicates he will destroy notebook. Poindexter does not try to stop him. Subsequently, Poindexter destroys December 5, 1985 finding on previous arms shipments to Iran.
- _____ - _____:
Cooper calls Thompson.
- 3:15 p.m. - _____:
Ledeen visits North in North's office. North asks Ledeen what his story will be about the November HAWK shipment. Earlier North tells Ledeen that a source at the Department of Justice had advised him to get a lawyer.
- 3:30 p.m. - 5:35 p.m.:
Meese and Cooper interview McFarlane and they discuss finding. According to McFarlane, Meese apparently volunteers that oral finding sufficient; according to Cooper, there is no discussion of oral finding. There is no mention of either the diversion or the shredding party. As McFarlane leaving, he speaks to Meese alone, expressing view that President fully behind Iranian initiative and, according to Cooper, a desire to protect the President.
- 5:30 p.m. - 7:30 p.m.:
North and Hall destroy documents.
- 5:45 p.m. - _____:
McFarlane phones North from outside the Department of Justice and tells him about his interview with the Attorney General. North tells McFarlane he has been urged to get an attorney and warned that his phone may be bugged.

UNCLASSIFIED

UNCLASSIFIED

5

- ____ - ____:
McFarlane calls Sofaer and Shultz seeking copies of State Department notes relating to 1985 arms shipments.
- ____ - ____:
North meets with Green.
- 6:09 p.m. - ____:
Meese receives call from Webster.
- 6:20 or 6:25 p.m. - 6:40 or 6:45 p.m.:
Meese, Cooper, Reynolds, and Richardson meet. Bolton joins the meeting from 6:30 to 6:35 p.m.
- 6:55 p.m. - ____:
Meese calls Weinberger.
- 7:05 p.m. - ____:
Meese calls Casey.
- ____ - ____:
Shultz calls Meese; interview is arranged for next morning.
- ____ - ____:
Richard Miller drives North to Green's office. Either on this drive or previous day, North tells Miller Meese has advised him to retain counsel.

Saturday, November 22.

- 2:00 a.m. - 7:00 a.m.:
McGinnis [REDACTED]
- 8:00 a.m. - 9:20 a.m.:
Meese and Cooper interview Shultz, with Charlie Hill present.
- 9:30 a.m. - ____:
Gates speaks to Poindexter on secure line.
- 9:45 or 9:50 a.m. - 10:00 a.m.:
Meese meets with Cooper.
- 9:50 a.m. - ____:
North speaks to Poindexter.
- 9:55 a.m. - ____:
Casey calls Meese.

UNCLASSIFIED

UNCLASSIFIED

6

- 10:00 a.m. - 10:30 a.m.:
Meese, Cooper, Reynolds, Richardson meet.
- 10:15 a.m. - _____:
Meese speaks to Poindexter.
- 10:40 a.m. - _____:
Meese calls Thompson (for Cooper).
- 10:45 a.m. - _____:
Meese calls Poindexter.
- 10:58 a.m. - 11:07 a.m.:
Poindexter speaks to Bush.
- 11:10 a.m. - 12:45 p.m.:
Meese and Cooper interview CIA General Counsel Sporkin.
- 11:38 a.m. - _____:
Poindexter speaks to Casey.
- 12:05 p.m. - _____:
Reynolds and Richardson examine NSC files. Paul Thompson and Bob Earl present. DOJ officials review documents "presented to them" and have copies made of those considered important. They discover early April memo that explicitly refers to diversion. As they are leaving, North arrives and indicates he was aware they would be in NSC offices; volunteers to answer questions. According to North, he shreds documents while Reynolds and Richardson are in the office and continues while they are at lunch.
- 1:25 p.m. - 3:20 p.m.:
Casey and Poindexter, have lunch. North joins them at 2:50 p.m. (until 3:40). Alton Keel may have been there briefly according to Poindexter. According to Poindexter, no discussion of diversion or of destruction of 1985 finding. At 2:52 p.m., during the lunch, Regan calls Casey.
- 1:45 p.m. - 3:15 p.m.:
Meese, Reynolds, Cooper, and Richardson have lunch at Old Ebbitt. Reynolds advises Meese of diversion memo.

UNCLASSIFIED

UNCLASSIFIED

7

- - 7:15 p.m.:
Reynolds and Richardson return to NSC offices where North provides more documents. North indicates he expects "to take the fall". They do not review the files of Poindexter, McFarlane or Thompson. Richardson tells North that Meese wishes to meet with him. North tells Reynolds and Richardson he has retained an attorney.
- 3:40 p.m. - _____:
North calls Meese. Meese makes appointment with North to meet on 11/23 at 2:00 p.m. Agrees to allow North to go to church in morning.
- 3:46 p.m. - _____:
Casey calls Meese.
- 5:40 p.m. - _____:
Poindexter speaks to North.
- 5:45 p.m. - _____:
Meese meets with Casey at latter's home. They discuss Furmark and Canadian investors. Meese is "sure" that Casey "did not mention anything about Central America" and does not believe there was discussion of the contras or the Nicaraguan resistance.
- 6:00 p.m. - 8:45 p.m.:
Cooper goes to CIA with McGinnis and interviews Doherty, Dietel, Jameson, McHoffa, and _____
Cooper has telephone conversation with _____

Sunday, November 23.

- 9:00 a.m. - 10:45 a.m.:
- Cooper goes to CIA with McGinnis and interviews Allen, Jameson, Doherty, and Clarridge.
- 9:15 a.m. - _____:
North calls McFarlane and asks to meet.
- - _____:
North speaks to Secord.
- 9:45 a.m. - _____:
Cooper meets with Allen and Doherty.

UNCLASSIFIED

UNCLASSIFIED

8

- 10:10 a.m. - _____:
Meese speaks to Casey. Cooper then meets with Casey.
- 10:45 a.m. - _____:
Reynolds and Richardson go to NSC.
- 12:30 p.m. - 12:45 p.m.:
North and McFarlane meet in latter's office with no one else present. According to McFarlane, North states that: (1) there is a problem with the diversion; (2) diversion was a matter of record in memo; and (3) it was an approved matter. Green arrives, and Secord arrives minutes later; McFarlane leaves them to talk in his office.
- 12:32 p.m. - _____:
Meese calls Regan.
- 12:40 or 12:45 p.m. - 2:00 p.m.:
Meese, Cooper, Reynolds, and Richardson meet.
- 2:15 or 2:55 p.m. - 5:55 p.m.:
Meese, Reynolds, Cooper, and Richardson interview North. (Meese leaves interview at 4:05 p.m.) North states: (1) arms deal authorized by Reagan; (2) idea of diversion surfaced in discussion with Nir in 1/86; (3) \$3-4 million diverted after February shipment of TOWs and more after May shipment of HAWK parts; (4) Israel controlled the money; (5) North gave Swiss account numbers (accounts opened by Calero) to Israelis; and (6) only he, McFarlane, and Poindexter aware of diversion. North is "visibly surprised" when shown undated memo. Unclear whether North tells Meese that he does not think that the undated memo was used or sent for approval.
- _____ - _____:
North calls McFarlane and tells him about Meese interview.
- _____ - _____:
North calls Poindexter and then shreds more documents. Remains in office shredding until at least 4:50 a.m. when alarm is tripped.
- 6:00 p.m. - 6:45 or 7:00 p.m.:
Meese, Cooper, Reynolds, and Richardson meet.

UNCLASSIFIED

UNCLASSIFIED

9

7:00 p.m. - _____:
Sofaer calls Cooper and says he fears there was excess profit from Iran arms sales. Believes money may have gone to contras because of involvement of Southern Air Transport in both operations.

Monday, November 24.

7:20 a.m. - 7:50 a.m.:
Meese, Reynolds, Cooper, Cribb, Richardson meet to review what found. Meese asks staff to look over criminal laws and other applicable statutes.

8:57 a.m. - _____:
Poindexter talks with McFarlane.

9:00 a.m. - 10:15 a.m.:
Cooper meets with Sofaer and Hill; sees 1985 notes on arms shipments.

9:12 a.m. - _____:
Poindexter calls North on secure phone.

[_____ - _____:
Meese may have spoken to Webster.]

9:55 a.m. - _____:
Meese calls Weld.

10:00 a.m. - 10:30 a.m.:
Meese meets with McFarlane about diversion. McFarlane states that he only learned about it during May trip to Tehran. McFarlane does not tell Meese about "shredding party".

10:02 a.m. - _____:
Meese calls Regan.

10:10 a.m. - _____:
Meese calls Bush.

10:25 a.m. - _____:
Poindexter speaks to Casey.

10:29 a.m. - _____:
Poindexter speaks to Weinberger.

_____ - _____:
Meese has telephone conversation with Weinberger, who does "not have much to add."

UNCLASSIFIED

UNCLASSIFIED

10

- 10:55 a.m. - _____:
Poindexter speaks to North on secure line.
- 11:00 a.m. - _____:
According to Regan, Meese meets with him and advises him of diversion and North's confirmation. Also according to Regan, Meese thereafter meets with Reagan; tells him he needs to complete review and will report later. According to Meese, he meets with Regan and Reagan and advises both of diversion.
- 11:44 a.m. - _____:
Meese calls McFarlane.
- 12:30 p.m. - 1:30 p.m.:
Meese, Reynolds, Cooper, Cribb, and Richardson meet.
- 1:30 p.m. - _____:
McGinnis tells Richardson that he had heard rumors at the CIA that Iran money was diverted to the contras. According to Cooper, he would likely have passed this information on to Meese.
- 1:40 p.m. - _____:
Meese meets with Bush.
- 2:00 p.m. - _____:
Reagan, Bush, Meese, Shultz, Weinberger, Regan, Poindexter, Casey, and Cave meet to discuss Iran. According to Meese, diversion not discussed.
- 2:00 p.m. - 3:45 p.m.:
Reynolds and Cooper meet with Green who describes Hakim's role in proposing diversion. Reynolds tells Meese of his conversation with Green, but Meese does not remember if Reynolds tells him that Green has confirmed the diversion.
- 2:44 p.m. - _____:
Secord talks to North.
- 4:15 p.m. - 4:20 p.m.:
Meese interviews Poindexter in latter's office for 10 minutes. Meese is alone and takes no notes. Poindexter acknowledges knowing "generally" about diversion and adds that North gave him "enough hints" to know the money was going to the contras. He did not inquire further, however, and told no one about the diversion. According to Poindexter, According to Poindexter, Meese does not ask him if

UNCLASSIFIED

UNCLASSIFIED

11

he ever told the President; according to Meese, he does ask him, and Poindexter responds that he has not told the President or Regan.

4:30 p.m. - _____:
Meese meets with Reagan and Regan. He relates Poindexter statements and discusses "looking at what applicable criminal laws there might be." Meese later testifies that neither Regan nor Reagan "knew anything about this."

_____ - _____:
Meese meets with Bush.

_____ - _____:
Casey calls Cooper, after meeting with Furmark at the CIA. Asks what Cooper knows about "Lakeside Resources."

6:10 p.m. - _____:
Casey speaks to Poindexter on secure phone.

_____ - _____:
Regan talks to Casey about diversion.

6:53 p.m. - _____:
Meese calls Poindexter.

PRIVACY

Tuesday, November 25.

6:30 a.m. - _____:
Casey calls Meese.

6:35 or 6:40 a.m. - 6:45 or 7:00 a.m.:
Meese meets with Casey at latter's house. Richardson accompanies Meese in car, but is not present at meeting. According to Meese, Casey states that he had heard from Regan the previous evening about the diversion and that Poindexter was planning to resign. Casey tells Meese he will send him the Furmark memoranda.

_____ - _____:
Regan calls Meese at Casey's.

UNCLASSIFIED

UNCLASSIFIED

12

- 7:15 - 7:45 a.m.:
Meese meets with Poindexter; advises him that time has come to submit resignation.
- 7:50 a.m. - ____:
Meese calls Weinberger.
- 7:50 a.m. - 8:02 a.m.:
Regan tells Poindexter to tender his resignation at the 9:30 a.m. briefing.
- 8:00 or 8:15 a.m. - ____:
Meese, Regan, Cooper, Thomas, Wallison meet. Review board proposed by Regan.
- 8:15 a.m. - 9:30 a.m.:
Cooper meets with Wallison and Thomas to draft Presidential statement. Thereafter, Cooper and Richardson meet with Buchanan, Speakes, Thomas and Wallison to review the statement.
- 8:55 a.m. - ____:
Poindexter speaks to Regan.
- 9:00 a.m. - 9:30 a.m.:
Meese meets with Reagan, Bush, and Regan and advises them of what he has learned and that a criminal investigation probably will be convened.
- 9:10 a.m. - ____:
Poindexter speaks to Weinberger.
- 9:20 a.m. - 9:30 a.m.:
Poindexter meets with North.
- 9:30 a.m. - 10:00 a.m.:
Meese meets with Reagan, Bush, Regan, and Poindexter. Poindexter resigns.
- 9:35 a.m. - ____:
Green speaks to North.
- 10:05 a.m. - 10:10 a.m.:
Poindexter meets with Meese.
- 10:15 a.m. - ____:
Meese attends NSC meeting with Regan.
- 10:25 a.m. - ____:
Secord calls for Poindexter; speaks to Thompson.

UNCLASSIFIED

UNCLASSIFIED

13

- 11:00 a.m. - 12:00 noon:
Meeting with Congressional leadership.
- 11:45 a.m. - 12:00 noon:
North's log indicates that Reynolds has telephone conversation with North and/or Green.
- 12:00 noon - 12:48 p.m.:
Meese press conference on diversion.
- 12:03 p.m. - _____:
Poindexter speaks to Casey on secure line.
- 1:30 p.m. - _____:
Cooper, Cribb, Reynolds, Bolton and Richardson have lunch in Cribb's office.
- 1:45 p.m. - 1:50 p.m.:
Meese meets with Webster. Tells Webster DOJ will research criminal statutes.
- 2:05 p.m. - 2:45 p.m.:
Meese meets with Webster(?), Burns, Reynolds, Cooper, Richardson, and Cribb. Trott joins meeting at 2:20 p.m. At this meeting, Meese directs Burns to notify White House Counsel to take security precautions, and directs Cooper to meet with Weld about applicable laws. (Burns fails to do this immediately.) Meese advises Webster that he is turning the matter over to the Criminal Division and would "probably" need FBI resources. (Those resources were requested the next day.) Cooper subsequently meets with Weld and briefs him.
- _____ - _____:
North, Secord, and Green meet.
- 3:00 p.m. - 4:00 p.m.:
Meese attends NSPG meeting with Reagan.
- 4:00 p.m. - 4:02 p.m.:
Meese meets with Poindexter.
- 4:10 p.m. - 4:40 p.m.:
Meese meets with Reynolds, Cooper, Cribb, and Richardson.

UNCLASSIFIED

UNCLASSIFIED

14

- 4:40 p.m. - _____:
Meese has telephone conversation with Israeli Foreign Minister Peres. Peres states that Israelis handled no money, but merely told the Iranians what accounts to put it into.
- 6:40 p.m. - _____:
Meese meets with Richardson, Cribb, Burns, Trott, Reynolds, Cooper, Weld, Bolton, and Korten (to 6:50 p.m.) on "press update/guidance" and possible criminal violations.
- _____ - _____:
Hall and North remove documents; exchange them in Green's car.
- 7:00 p.m. - 8:30 p.m.:
Cooper, Reynolds, and McGinnis meet with Susan Crawford and DOD personnel to discuss Economy Act transfers and pricing.
- 7:05 p.m. - _____:
McFarlane calls Meese.

Monday, December 1.

- _____ - _____:
Reynolds and Public Integrity Section lawyer William Hendricks meet with Green, despite objections from Criminal Division that Reynolds should not participate. Green represents Secord and requests immunity; he urges the Department not to apply for an independent counsel.
- 2:00 p.m. - _____:
Meese meets with Reagan.
- 2:20 p.m. - _____:
Meese meets with Burns, Cooper, Bolton, Cribb, Weld and representatives of the Criminal Division on Iran investigation.

Tuesday, December 2.

- 10:00 a.m. - _____:
Meese decides to apply for an independent counsel.

UNCLASSIFIED

UNCLASSIFIED

Chapte
Trotter 20-92

Telephone Calls - Saturday 22 Nov 86

J 9419

9⁵⁵ am Rec'd call from Bill Casey10⁴⁰ am Rec'd call to Paul Thompson, NSC, for
Chuck Cooper (in AG ofc)10⁴⁵ am Rec'd call to Adm. Pinderster3⁴⁰ pm Rec'd call from Oliver North3⁴⁶ pm Rec'd call from Bill Casey

Part 3

Released on

27 July 87

by 100 12356

by [unclear] [unclear]

UNCLASSIFIED

2693

Chapter 20
Footnote 127THE WHITE HOUSE
WASHINGTON
September 4, 1987

20-127

UNCLASSIFIED

Dear Victoria:

In accordance with the President's pledge to cooperate with the Select Committee's investigation and pursuant to the Select Committee's request for an "on the record" confirmation of certain matters, Barbara Browne has completed the enclosed Affidavit.

We understand that the enclosed Affidavit will be used in lieu of a deposition and that we will be consulted before it is publicly cited or released.

Thank you for your cooperation and understanding in this matter.

Sincerely,

Alan

Alan C. Raul
Associate Counsel to the President

Ms. Victoria Nourse
Assistant Counsel
Select Committee on Secret Military
Assistance to Iran and the
Nicaraguan Opposition
United States Senate
Washington, D.C. 20510

Enclosure

cc: W. Neil Eggleston, Esq.
George Van Cleve, Esq.

~~Pres. Documents~~ Released on 1/22/88
- Under provisions of E.O. 13526
J. B. Reger, National Security Council

4381

UNCLASSIFIED

UNCLASSIFIED

AFFIDAVIT

I, BARBARA E. BROWNE, hereby state as follows:

1. In July of 1986, I was employed as a secretary at the National Security Council, assigned to Lt. Col. Robert Earl and Commander Craig Coy. I worked in Suite 302 of the Old Executive Office Building, the same suite in which Lt. Col. Oliver North and his secretary, Fawn Hall, were located.

2. On Monday, November 24, 1986, I arrived at work in Suite 302. Sometime during the morning, Lt. Col. North said to me that the document shredder in the suite was jammed and not working. I looked at the shredder, and I noticed that the shred bag was full. I then called Ken Larkins and together with him, removed the shredder bag, taped it shut and set it outside the door of Suite 302 where, in accordance with standard procedures, it was removed in due course.

3. From July 7, 1986, when I first began working in Suite 302, the first time I recall seeing a full shredder bag was on Monday, November 24, 1986. During the period from July through November 1986, I used the shredder on one or two occasions to shred documents as requested by either Lt. Col. Earl,

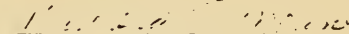
~~Per [redacted]~~ Released on 1/22/88
under provisions of E.O. 12958
J. S. Reger, National Security Council

UNCLASSIFIED

UNCLASSIFIED

Lt. Col. North or Commander Coy. On those occasions, I confirmed that they were certain the particular documents should be shredded.

I declare under penalty of perjury that the foregoing is correct.



Barbara E. Browne

Date: September 4, 1987

UNCLASSIFIED

20-129

CLASSIFIED AT TIME OF PUBLICATION.

20-177

CLASSIFIED AT TIME OF PUBLICATION.

20-183

See Hearing Exhibit JMP-85

COMMAND CENTER - [REDACTED]
 Duty Officer - Marilee Melvin

UNCLASSIFIED

20-184

'84
 As of cob
 11/25/86

THE ATTORNEY GENERAL

Schedule for Tuesday, 25 November 1986

TIME	SUBJECT/VISITOR	LOCATION	PERI
6:35	Meeting with Bill Casey ✓	Casey Residence	10
7:25	John Poindexter ✓	AG Office	20
9:00 RR	VP/DTR ✓	Oval Office	30
9:30 RR	VP/DTR/JMP ✓	Oval Office	30
			15
10:15 RR	NSC Meeting		
11:00 RR	Meeting with Congressional Leadership	Cabinet Room	60
12:00 RR	Press Conference	WH Press Briefing Rm	48
12:50 RR	AG joins Supreme Court Luncheon	State Floor	60
2:00	AIB/SST/WBR/CJC/TKC/JWR		45
2:45	Depart for White House		
3:00 RR	NSPG Meeting (FOLDER)	Situation Room	60
4:10	WBR/CJC/TKC/JWR ✓		30

Partially Declassified/Released on 2/24/89
 under provisions of E.O. 12356
 J. B. Reger, National Security Council

UNCLASSIFIED

49609

CLASSIFIED AT TIME OF PUBLICATION.

82-684 138

20-205

CLASSIFIED AT TIME OF PUBLICATION.

82-684 139

20-216

Q2651

UNCLASSIFIED

25 Nov 86

- Rept sent by A.C.
- Per, De
- 60% conf of our
- Pat said Dr to
- Did not go to IS.
- See to it that
- for us not to cause
- to have not served
- conduct
- had to close other
- still see of conf
- support - Conf + pub
- come in what
- we have to close
- long for support
- for our country is
- at stake
- we do have kept
- and

UNCLASSIFIED

- If there was such a
 huge war, why did
 we have to pay?

82-684 147

CHAPTER 21. INTRODUCTION TO THE ENTERPRISE

Chapter 21, Part 21-16

~~SECRET~~
~~CONFIDENTIAL~~
UNCLASSIFIEDAX 58-222
AX 58-223
AX 206A-132SECOND INTERVIEWS

During initial interview on December 17, 1981, General Secord was advised that on a recent CBS Television interview with Douglas Schlachter, allegations were made that Secord and Edwin Wilson worked together to sell military equipment in Iran and attempted to obtain Russian weapons from Libya. General Secord said these allegations were absolutely false as his relationship with Wilson was strictly social. He said he has never entered into any type of business arrangement with Wilson, his companies, or associates. He said further that he never participated with Wilson in any type of intelligence operations nor has he at any time received any money or gratuities from Wilson or his associates. He said he met Wilson about ten years ago at a party, being introduced by Tom Clines. He had known Clines since both served together in Southeast Asia, with both later attending the Naval War College at Rhode Island together in 1971. Secord recalled that from 1972 to 1974, he saw Wilson on a social basis about ten times, having lunch together. He could not remember ever visiting Wilson's farm although invited many times by Wilson. In the summer and fall of 1975, he and Wilson had dinner together in Iran, with Wilson's wife present on one occasion. Wilson told Secord he was working with the Iranian Secret Police and U. S. Naval Intelligence. After returning to the U. S. in June, 1979, he saw Wilson on a social basis. Secord said he has had no contact with Wilson for the past two and a half years and last saw him in Brussels, Belgium, in February or March, 1979, while attending an official Government function. At this meeting, Wilson asked Secord if he was interested in MIG-25 aircraft. He also recalled that in late 1978, he attended a NATO conference in London, England, and met with Wilson while there. Wilson said he was working in Libya.

During interview March 26, 1982, Secord advised he had been to Wilson's farm on several occasions with his wife and children. He admitted going to an office in Northern Virginia with Clines for a briefing by an associate of Wilson's regarding a "super security project" that Wilson was working on. The briefing related to security devices at one of the Iranian Shah's palaces, and when Secord realized it was a "commercial pitch," he terminated the briefing and left. Wilson was present

Pages 8-13
Part 7 Declassified/Released on 1/20/87
under provisions of E.O. 12355
J. B. Reger, National Security Council

4298
8F B 000389
~~SECRET~~
~~CONFIDENTIAL~~
UNCLASSIFIED

UNCLASSIFIED
NO FOREIGN DISSEMINATIONAX 58-222
AX 58-223
AX 206A-182

on that occasion. Secord said he and his staff had considerable influence over major decisions relating to contracting in Iran. He admitted ordering about a dozen small pocket computers that Wilson was displaying in Iran in late 1976 or early 1977, sending Wilson a check for \$200 after receiving the items by mail. Secord recalled meeting Doug Schlachter in about 1978 and seeing him many times, always with Clines and usually at a bar or lounge in Northern Virginia. Secord said he bought a townhouse at Burke, Virginia, from Tom Clines as an investment in 1977, subsequently selling the house to Ed Wilson at the same price he purchased it for. Proceeds of \$20,000 he got from sale of this house he invested in a house at Fort Walton Beach, Florida. He got the \$20,000 in cash from Wilson at a meeting at a Northern Virginia lounge in about September, 1978. No receipt was given for this cash and he thought this cash transaction was unusual. He said others were present when this cash was personally given to him by Wilson. Secord acknowledged using a Beechcraft Baron aircraft that Wilson purchased in about September, 1978. He said he flew Wilson over his property once or twice and met Wilson's girlfriend, Bobbi Barnes, in this regard. The longest trip he made in Wilson's plane was to Miami, Florida, with Tom Clines, and he made other trips around the Washington, D. C., area and a trip to Fort Walton Beach, Florida, in it. He said he paid for the gas expended and utilized the aircraft as Wilson asked him to look after the aircraft periodically and Secord agreed to fly it occasionally. He said Jim Rhyne, an associate of Secord's who worked with Secord in the past, also flew the aircraft at Secord's request. The aircraft was ferried to Europe in 1979. Secord denied that his use of Wilson's aircraft was for any past or future favors.

In late 1978 to early 1979, he met with Wilson in London on a strictly social occasion. Secord was there with Erich Von Marbod seeing a British Government official regarding the Iranian situation. He had drinks with and chatted with Wilson on that occasion. He met Wilson next in Brussels about a year later at Wilson's request delivered by Clines. He had a few drinks with Wilson and the meeting lasted about two hours, with only he and Wilson present. Wilson appeared nervous and discussed Wilson's possibly procuring Soviet aircraft. Secord said he made no promises to Wilson and did nothing further regarding the matter.

UNCLASSIFIED
NO FOREIGN DISSEMINATION

UNCLASSIFIED

AX 58-222
 AX 58-223
 AX 206A-182

Secord said he and Clines, working under Ted Shackley,

[REDACTED] Clines and Secord [REDACTED] He said at present Clines is one of his few close personal friends. He has had no direct or indirect share in Clines' companies. He said Clines told him that Wilson was responsible for getting a loan (of about \$300,000) for Clines which started or assisted Clines in financing his companies. Secord denied having any interest in EATSCO. He said he traveled to Egypt with Von Marbod in May, 1979, during which Secord was to negotiate an F-4 aircraft deal with the Egyptians. He never heard of Hussein Salem until the summer of 1979. He denied having anything to do with contracting relating to the freight forwarder as pertains to the U. S.-Egyptian foreign military sales credit deal and EATSCO. He said he had no advance information regarding the U. S.-Egyptian foreign military sales loan agreement. Clines told him in 1979 that he was trying to get "part of the action" as related to the contract that Hussein Salem had apparently acquired with Egypt and mentioned he was associated with a freight forwarding company, the Hobelmann Company. Secord advised he first met Von Marbod in 1972 at the Pentagon, working closely with him during 1972-1974. He said they are close professional associates and also served together in Iran in the mid-1970's. He also worked with Von Marbod on [REDACTED] in the early 1970's. From summer of 1973 - spring 1981, he had almost daily professional meetings with Von Marbod at the Pentagon, including work on highly classified projects regarding Egypt. He recalled that he, Clines, Von Marbod, and several others were together at various Northern Virginia places on a social basis prior to the Camp David Accords situation for casual discussions regarding current events and other matters. Secord admitted visiting Clines' Middleburg, Virginia, residence about ten times and being at the Rotonda condominium owned by Clines or Shirley Brill on one evening. He recalled being at Clines' former Vienna, Virginia, townhouse on a few occasions, also.

During interview on May 20, 1982, Secord provided additional information regarding various areas previously discussed. He admitted that Wilson was to take care of financial arrangements for the Beechcraft Baron aircraft and the gas was often paid for by the service account that had been set up for this aircraft. He denied that Wilson obtained this plane at Secord's request.

UNCLASSIFIED

F B 000391
 SECRET
 NO FOREIGN DISSEMINATION

AX 58-222
 AX 58-223
 AX 206A-182

SECRET
 UNCLASSIFIED

He said he believes he met Wilson on two occasions in Brussels, the last occasion being when Wilson mentioned the possible acquiring of Soviet aircraft. During the London trip in late 1978 or early 1979, Wilson picked him and Von Marbod up at their hotel and took them to his townhouse. After being at the townhouse a short time, they possibly went out to dinner. Present at the townhouse were Secord, Von Marbod, Wilson, Bobbie Barnes, Diane Bryne, and one of Bryne's children. Secord said he never had any conversations with Wilson regarding the Egypt-EATSCO situation and never discussed this situation with Clines prior to the service agreement being made between Egypt and EATSCO. Secord never knew the details of Clines' association with Salem. Secord said he was not associated with any business activity relating to nuclear fallout clothing while in Iran and has no recollection of any potential deal with Wilson, or associates of Wilson, regarding such clothing.

11

F B 000392
 SECRET
 UNCLASSIFIED

SECRET
NO FOREIGN DISSEMINATION

UNCLASSIFIED

AX 58-222
AX 58-223
AX 206A-182

SECOND AIRCRAFT USE INFORMATION

Inquiry at Page Beechcraft, Inc., Dulles International Airport, on January 19, 1982, revealed that in August, 1978, a Beechcraft Baron airplane, Model 58, 1977 model year, Serial Number TH779, and U. S. Registration Number N4577S, was purchased by Service de Financement, S.A. of Geneva, Switzerland. Ed Wilson made the initial call to Page which eventually resulted in the purchase. Total cost was \$178,575, paid in three installments (August 8, 1978, September 12, 1978, and September 14, 1978). When purchased and delivered, the aircraft had 490 hours of usage already. Primary contact for invoices and other notices and records was Douglas Schlachter of Rosslyn, Virginia. The two pilots who flew the plane were Richard V. Secord and James Howard Rhyne, and operationally Rhyne was to be the main contact. In about May, 1979, Ed Wilson called Page and said they were planning to export the aircraft. In mid-August, 1979, information was received that the plane was to go to Belgium. In about September, 1979, the plane was apparently taken to Europe. Ownership of the aircraft was transferred to Skyways Aviation, Inc., in about September, 1979, and Page registered the plane to this entity on about September 10, 1979. Page records reveal that 1,000 shares of common stock of Skyways Aviation, Inc., would be issued to Ed Wilson in consideration for transfer of the aircraft to this corporation in connection with the bill of sale.

Page personnel advise the tie-down fee for this aircraft would have been \$120 a month. The Beechcraft Baron (twin engine) uses about twenty gallons of gasoline per hour. (A gallon of aircraft gasoline costs about \$2 as of April, 1982.) Service de Financement was to make available a \$2,000 credit deposit in connection with fuel and maintenance costs for the aircraft; there were to be two users of the aircraft and they would be authorized to sign for fuel and maintenance as necessary.

James Howard Rhyne, during interview May 4, 1978, advised he has known General Secord since they served together in Southeast Asia in about 1965. [REDACTED] he and Secord shared ownership in a Mooney single-engine aircraft (N7824V) during about 1974-1977. Rhyne met Ed Wilson through Secord in a social setting at Wilson's farm. In about 1977-1978, Secord told Rhyne that Wilson wanted Rhyne to look at an aircraft Wilson was considering buying. Rhyne and Secord looked at the Beechcraft Baron and Rhyne test flew it. He said the plane was loaded with

UNCLASSIFIED

F B 000393
SECRET
NO FOREIGN DISSEMINATION

SECRET

UNCLASSIFIED

AX 58-222
 AX 58-223
 AX 206A-182

"extras" and Rhyne thought it would be a good investment. Wilson subsequently purchased the plane and Secord asked Rhyne to look after it since he then lived near Dulles Airport. Rhyne agreed. Rhyne looked after maintenance of the aircraft and flew it a total of five to six times, locally and to his home area of Lafayette, Georgia. (Rhyne did consultant work for EATSCO in about late 1979 in connection with their looking to purchase a 707 jet. He received about \$5,700 for his work.) Rhyne said he was introduced by Secord to Erich Von Marbod in about 1979 at Manassas, Virginia, airport. On that occasion, Secord and Von Marbod flew together for about thirty minutes in Rhyne's aircraft. Rhyne said he was present, along with Ted Shackley and others, at the Pentagon ceremony where Secord received his second star as an Air Force General.

Analysis of Secord's flight log for the Beechcraft Baron (voluntarily provided) reveals he used the plane on 31 occasions during the period August 16, 1978 - August 25, 1979, for a total of 59 flying hours.

E

SECRET

UNCLASSIFIED

NO FOREIGN DISSEM

UNCLASSIFIEDChapter
Footnote 21-17

AX 53-222

9

NO FOREIGN DISSEMINATION

girlfriend, Shirley Brill. Clines introduced Von Marbod to Quintero and said Von Marbod was a "friend". Initially, Quintero was at the swimming pool at Clines' residence when Von Marbod was there. Von Marbod was at the residence about one hour.

In about the Fall of 1980, he again met Von Marbod at a lounge at the Springfield Hilton Hotel in Springfield, Virginia. Quintero was there with Clines and possibly Shirley Brill at that time. During this contact, Von Marbod asked Quintero about the Cubans who were coming to the Miami, Florida, area that Fidel Castro had put out of Cuba. Also mentioned was United States action in putting these persons in "concentration" camps. This meeting with Von Marbod was at around 6:00 p.m., and lasted about thirty minutes, during which Von Marbod had two or three beers.

Quintero said the only information he has about Von Marbod's past position with the government was what he had read about in newspaper articles.

On another occasion, Quintero was at a party at Clines' condominium at the Rotonda in Mc Lean, Virginia. While there, he heard that Von Marbod was at the party also.

Quintero recalled that Clines referred to Von Marbod as "Redhair" or "Redhead".

Quintero said that Von Marbod was a friend of General Secord's and as Secord was a friend of Clines', that is how Clines knew Von Marbod.

Quintero said he never heard of any payments or gratuities being made by Clines to Von Marbod.

Major General Richard Secord:

Quintero said he first met General Secord after seeing Tom Clines arrive back from Southeast Asia in 1975. On that occasion he met Secord at a bar in Northern Virginia with Tom Clines, and possibly other Southeast Asian military friends of Secord's. Clines introduced General Secord to Quintero and said that Secord had [REDACTED]

F B 000597

(4297) **UNCLASSIFIED**

pages 340, 341, 342
 Declassified/Released on 4/20/88
 under provisions of E.O. 12958
 J. P. Reger, National Security Council

UNCLASSIFIED

He recalled that initially, General Secord was cold and distant towards him and would not let him come to his house. In this regard, he remembered that on one occasion Quintero and Clines and Clines' girlfriend, Shirley Brill, were travelling together and Clines called Secord and said they were coming over to Secord's house. Clines said that Secord said, "Dump them", referring to Brill and Quintero, prior to coming to the house.

Quintero indicated that his relationship with Secord is now much closer, and during the past year he has met Secord on seven to nine occasions, and during the last two months on possibly four occasions. In this regard, he has been to Secord's residence on three to four occasions within the past year.

On the day that Ed Wilson was arrested in New York, in June, 1982, Quintero said that he and Clines went to Secord's residence to watch the 7:00 p.m., news coverage of the arrest. Secord and Clines expressed the opinions that they thought Wilson had made a deal in connection with his arrest. Secord's wife was present on that occasion also.

Quintero said on every occasion that he has met Secord, Quintero has also been with Clines, except on one occasion. This was when General Secord was in a suspended status from his job at the Pentagon in the Spring of 1982. Quintero met Secord at Mr. Smith's Restaurant and Lounge on Route 7 in Northern Virginia, while waiting for Clines to arrive. Clines never arrived on that occasion and Quintero and Secord went back to the Global American Resources Office in Mc Lean, Virginia, with which Clines has been associated in the recent past. Quintero recalled that during his meeting with Secord, mentioned above, Secord mentioned the pressure that AUSA Barcella and AUSA Greenberg were putting on Secord and Clines. Also mentioned was a letter that had been sent by one of these AUSAs to the Pentagon regarding General Secord.

On possibly a Saturday, sometime after July 4, 1982, but in July, Clines, Secord and Quintero met at a racket ball establishment near Global American Resources in Mc Lean, Virginia. They did not play racket ball on that occasion but instead walked about the government investigation underway. Secord indicated that he personally had nothing to worry about and Clines commented that Secord had nothing to hide.

F B 000598

UNCLASSIFIED

AX 58-222

11

NO. 100-100000-100000
UNCLASSIFIED

In about late July, 1982, Secord went on a trip abroad for about ten days, which included travel to Egypt. On his return, Clines, Quintero and Secord met at the same racket club, and although both Clines and Secord had rackets, they did not play racket ball. Instead, they went to Mr. Smith's Restaurant and Lounge. The conversation included talk about how busy Secord was in connection with meetings being held regarding the Lebanon crisis.

Quintero said that everytime he comes up to the Northern Virginia area, he and Clines and Secord go out and have drinks. He said Ted Shackley has attended these sessions on occasion also.

He recalled that in about the Fall of 1981, at Charlie's Bar in Mc Lean, Virginia, he was present with Secord, Clines and Shackley. On that occasion, Secord, Shackley and Clines sat by themselves and Quintero sat by himself at the bar some distance away.

Quintero mentioned that Tom Clines does not like to be alone and whenever he is with Clines, Clines asks Quintero to drive his car for him.

Quintero said that General Secord has been in uniform on occasion and not in uniform on other occasions that he has seen him.

Brussels, Belgium Meeting:

Quintero recalled that this meeting occurred before Ed Wilson was indicted in the United States. Quintero said he thinks that he came into Brussels with Clines from Geneva, Switzerland, and General Secord was already there when they arrived. Ed Wilson was in Brussels and stayed at a different hotel than he and Clines did.

The night before they were supposed to meet Wilson, they stayed in their hotel drinking. They then went to Wilson's hotel and had drinks, but Wilson did not come down to join them.

The next day, Quintero, Clines and Secord went to Wilson's hotel together and on that occasion, Quintero talked to Ed Wilson and his girlfriend, Bobbi Barnes. Quintero asked Wilson for a \$100,000 loan for some construction he wanted to

NO. 100-100000-100000
UNCLASSIFIED

342

Chapter 21, Para 21-18 1

UNCLASSIFIED
SECRET
NO FORN DISSEMINATIONAX 58-222
AX 58-223
AX 206A-132SECOND INTERVIEWS

During initial interview on December 17, 1981, General Secord was advised that on a recent CBS Television interview with Douglas Schlachter, allegations were made that Secord and Edwin Wilson worked together to sell military equipment in Iran and attempted to obtain Russian weapons from Libya. General Secord said these allegations were absolutely false as his relationship with Wilson was strictly social. He said he has never entered into any type of business arrangement with Wilson, his companies, or associates. He said further that he never participated with Wilson in any type of intelligence operations nor has he at any time received any money or gratuities from Wilson or his associates. He said he met Wilson about ten years ago at a party, being introduced by Tom Clines. He had known Clines since both served together in Southeast Asia, with both later attending the Naval War College at Rhode Island together in 1971. Secord recalled that from 1972 to 1974, he saw Wilson on a social basis about ten times, having lunch together. He could not remember ever visiting Wilson's farm although invited many times by Wilson. In the summer and fall of 1975, he and Wilson had dinner together in Iran, with Wilson's wife present on one occasion. Wilson told Secord he was working with the Iranian Secret Police and U. S. Naval Intelligence. After returning to the U. S. in June, 1978, he saw Wilson on a social basis. Secord said he has had no contact with Wilson for the past two and a half years and last saw him in Brussels, Belgium, in February or March, 1979, while attending an official Government function. At this meeting, Wilson asked Secord if he was interested in MIG-25 aircraft. He also recalled that in late 1978, he attended a NATO conference in London, England, and met with Wilson while there. Wilson said he was working in Libya.

During interview March 26, 1982, Secord advised he had been to Wilson's farm on several occasions with his wife and children. He admitted going to an office in Northern Virginia with Clines for a briefing by an associate of Wilson's regarding a "super security project" that Wilson was working on. The briefing related to security devices at one of the Iranian Shah's palaces, and when Secord realized it was a "commercial pitch," he terminated the briefing and left. Wilson was present

Pages 8-13
Par Declassified/Released on 1/10/87
under provisions of E.O. 12958
1. B. Reeger, National Security

4298

F B 000389
UNCLASSIFIED

UNCLASSIFIED

AX 58-222
 AX 58-223
 AX 206A-182

on that occasion. Secord said he and his staff had considerable influence over major decisions relating to contracting in Iran. He admitted ordering about a dozen small pocket computers that Wilson was displaying in Iran in late 1976 or early 1977, sending Wilson a check for \$200 after receiving the items by mail. Secord recalled meeting Doug Schlachter in about 1978 and seeing him many times, always with Clines and usually at a bar or lounge in Northern Virginia. Secord said he bought a townhouse at Burke, Virginia, from Tom Clines as an investment in 1977, subsequently selling the house to Ed Wilson at the same price he purchased it for. Proceeds of \$20,000 he got from sale of this house he invested in a house at Fort Walton Beach, Florida. He got the \$20,000 in cash from Wilson at a meeting at a Northern Virginia lounge in about September, 1978. No receipt was given for this cash and he thought this cash transaction was unusual. He said others were present when this cash was personally given to him by Wilson. Secord acknowledged using a Beechcraft Baron aircraft that Wilson purchased in about September, 1978. He said he flew Wilson over his property once or twice and met Wilson's girlfriend, Bobbi Barnes, in this regard. The longest trip he made in Wilson's plane was to Miami, Florida, with Tom Clines, and he made other trips around the Washington, D. C., area and a trip to Fort Walton Beach, Florida, in it. He said he paid for the gas expended and utilized the aircraft as Wilson asked him to look after the aircraft periodically and Secord agreed to fly it occasionally. He said Jim Rhyne, an associate of Secord's who worked with Secord in the past, also flew the aircraft at Secord's request. The aircraft was ferried to Europe in 1979. Secord denied that his use of Wilson's aircraft was for any past or future favors.

In late 1978 to early 1979, he met with Wilson in London on a strictly social occasion. Secord was there with Erich Von Marbod seeing a British Government official regarding the Iranian situation. He had drinks with and chatted with Wilson on that occasion. He met Wilson next in Brussels about a year later at Wilson's request delivered by Clines. He had a few drinks with Wilson and the meeting lasted about two hours, with only he and Wilson present. Wilson appeared nervous and discussed Wilson's possibly procuring Soviet aircraft. Secord said he made no promises to Wilson and did nothing further regarding the matter.

UNCLASSIFIED

UNCLASSIFIED

AX 58-222
 AX 58-223
 AX 206A-182

Secord said he and Clines, working under Ted Shackley,

[REDACTED] Clines [REDACTED] and Secord [REDACTED]. He said at present Clines is one of his few close personal friends. He has had no direct or indirect share in Clines' companies. He said Clines told him that Wilson was responsible for getting a loan (of about \$300,000) for Clines which started or assisted Clines in financing his companies. Secord denied having any interest in EATSCO. He said he traveled to Egypt with Von Marbod in May, 1979, during which Secord was to negotiate an F-4 aircraft deal with the Egyptians. He never heard of Hussein Salem until the summer of 1979. He denied having anything to do with contracting relating to the freight forwarder as pertains to the U. S.-Egyptian foreign military sales credit deal and EATSCO. He said he had no advance information regarding the U. S.-Egyptian foreign military sales loan agreement. Clines told him in 1979 that he was trying to get "part of the action" as related to the contract that Hussein Salem had apparently acquired with Egypt and mentioned he was associated with a freight forwarding company, the Hobeilmann Company. Secord advised he first met Von Marbod in 1972 at the Pentagon, working closely with him during 1972-1974. He said they are close professional associates and also served together in Iran in the mid-1970's. He also worked with Von Marbod on [REDACTED] in the early 1970's. From summer of 1973 - spring 1981, he had almost daily professional meetings with Von Marbod at the Pentagon, including work on highly classified projects regarding Egypt. He recalled that he, Clines, Von Marbod, and several others were together at various Northern Virginia places on a social basis prior to the Camp David Accords situation for casual discussions regarding current events and other matters. Secord admitted visiting Clines' Middleburg, Virginia, residence about ten times and being at the Rotonda condominium owned by Clines or Shipley Brill on one evening. He recalled being at Clines' former Vienna, Virginia, townhouse on a few occasions, also.

During interview on May 20, 1982, Secord provided additional information regarding various areas previously discussed. He admitted that Wilson was to take care of financial arrangements for the Beechcraft Baron aircraft and the gas was often paid for by the service account that had been set up for this aircraft. He denied that Wilson obtained this plane at Secord's request.

UNCLASSIFIED

F B

SECRET

000391

NO FOREIGN DISSEMINATION

UNCLASSIFIED

AX 58-222
AX 58-223
AX 206A-182

He said he believes he met Wilson on two occasions in Brussels, the last occasion being when Wilson mentioned the possible acquiring of Soviet aircraft. During the London trip in late 1978 or early 1979, Wilson picked him and Von Marbod up at their hotel and took them to his townhouse. After being at the townhouse a short time, they possibly went out to dinner. Present at the townhouse were Secord, Von Marbod, Wilson, Bobbie Barnes, Diane Bryne, and one of Bryne's children. Secord said he never had any conversations with Wilson regarding the Egypt-EATSCO situation and never discussed this situation with Clines prior to the service agreement being made between Egypt and EATSCO. Secord never knew the details of Clines' association with Salem. Secord said he was not associated with any business activity relating to nuclear fallout clothing while in Iran and has no recollection of any potential deal with Wilson, or associates of Wilson, regarding such clothing.

11

F B 000392
SECRET
UNCLASSIFIED

SECRET
NO FOREIGN DISSEMINATION

UNCLASSIFIED

AX 58-222
AX 58-223
AX 206A-182

SECOND AIRCRAFT USE INFORMATION

Inquiry at Page Beechcraft, Inc., Dulles International Airport, on January 19, 1982, revealed that in August, 1978, a Beechcraft Baron airplane, Model 58, 1977 model year, Serial Number TH779, and U. S. Registration Number N4577S, was purchased by Service de Financement, S.A. of Geneva, Switzerland. Ed Wilson made the initial call to Page which eventually resulted in the purchase. Total cost was \$178,575, paid in three installments (August 8, 1978, September 12, 1978, and September 14, 1978). When purchased and delivered, the aircraft had 490 hours of usage already. Primary contact for invoices and other notices and records was Douglas Schlachter of Rosslyn, Virginia. The two pilots who flew the plane were Richard V. Secord and James Howard Rhyne, and operationally Rhyne was to be the main contact. In about May, 1979, Ed Wilson called Page and said they were planning to export the aircraft. In mid-August, 1979, information was received that the plane was to go to Belgium. In about September, 1979, the plane was apparently taken to Europe. Ownership of the aircraft was transferred to Skyways Aviation, Inc., in about September, 1979, and Page registered the plane to this entity on about September 10, 1979. Page records reveal that 1,000 shares of common stock of Skyways Aviation, Inc., would be issued to Ed Wilson in consideration for transfer of the aircraft to this corporation in connection with the bill of sale.

Page personnel advise the tie-down fee for this aircraft would have been \$120 a month. The Beechcraft Baron (twin engine) uses about twenty gallons of gasoline per hour. (A gallon of aircraft gasoline costs about \$2 as of April, 1982.) Service de Financement was to make available a \$2,000 credit deposit in connection with fuel and maintenance costs for the aircraft; there were to be two users of the aircraft and they would be authorized to sign for fuel and maintenance as necessary.

James Howard Rhyne, during interview May 4, 1982, advised he has known General Secord since they served together in Southeast Asia in about 1965. [REDACTED] he and Secord shared ownership in a Mooney single-engine aircraft (N7724V) during about 1974-1977. Rhyne met Ed Wilson through Secord in a social setting at Wilson's farm. In about 1977-1978, Secord told Rhyne that Wilson wanted Rhyne to look at an aircraft Wilson was considering buying. Rhyne and Secord looked at the Beechcraft Baron and Rhyne test flew it. He said the plane was loaded with

UNCLASSIFIED

UNCLASSIFIED

AX 58-222
 AX 58-223
 AX 206A-182

"extras" and Rhyne thought it would be a good investment. Wilson subsequently purchased the plane and Secord asked Rhyne to look after it since he then lived near Dulles Airport. Rhyne agreed. Rhyne looked after maintenance of the aircraft and flew it a total of five to six times, locally and to his home area of Lafayette, Georgia. (Rhyne did consultant work for EATSCO in about late 1979 in connection with their looking to purchase a 707 jet. He received about \$5,700 for his work.) Rhyne said he was introduced by Secord to Erich Von Marbod in about 1979 at Manassas, Virginia, airport. On that occasion, Secord and Von Marbod flew together for about thirty minutes in Rhyne's aircraft. Rhyne said he was present, along with Ted Shackley and others, at the Pentagon ceremony where Secord received his second star as an Air Force General.

Analysis of Secord's flight log for the Beechcraft Baron (voluntarily provided) reveals he used the plane on 31 occasions during the period August 16, 1978 - August 25, 1979, for a total of 59 flying hours.

E

UNCLASSIFIED

Chapter
Footnote 21-19

Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330



MAJOR GENERAL RICHARD V. SECORD

N 16288

retires 1 May 83

Major General Richard V. Secord is deputy assistant secretary of Defense for international security affairs (Near East, Africa and South Asia affairs), Washington, D.C.

General Secord was born July 6, 1932, in La Rue, Ohio, and graduated from high school in Columbus, Ohio, in 1950. He entered the U.S. Military Academy, West Point, N.Y., in 1951, and graduated in 1955 with a bachelor of science degree and a commission in the U.S. Air Force. He received a master of science degree in international affairs from The George Washington University, Washington, D.C., in 1972. He is also a graduate of the Air Command and Staff College at Maxwell Air Force Base, Ala., and the Naval War College, Newport, R.I.

He entered pilot training at Marianna, Fla., after graduation from the academy, and received his pilot wings in August 1956 at Greenville Air Force Base, Miss. He then served as an instructor pilot in single-engine jet basic pilot training from 1956 until 1959 at Laredo Air Force Base, Texas. From 1959 until 1961, General Secord was assigned as a flight instructor and operations officer at Tinker Air Force Base, Okla., flying jet trainers and transports including T-33s, U-3s, C-54s and C-97s.

In August 1961 he was selected to serve with a special volunteer tactical organization which was formed at Hurlburt Field, Fla. He remained with this unit, later designated as the 1st Air Commando Wing, until 1965. During this four-year assignment General Secord had numerous extended temporary duty tours in overseas areas. In March 1962 he was assigned as an adviser to the Republic of Vietnam, flying Vietnamese air force AT-28s, during which time he logged more than 200 combat missions. Beginning in January 1963 he served for six months in Iran working with the Iranian air force as an adviser on air-ground operations. General Secord again was assigned on temporary duty tours in Iran from January to May 1964 and from January until March 1965, working on joint operations.

The general then served as chief of the Tactical Operations Division, 1st Air Commando Wing, until July 1965 when he entered the Air Command and Staff College. After graduation in 1966, he returned to the Republic of Vietnam as an air operations officer in Saigon. Transferring to Udorn Royal Thai Air Force Base, Thailand, in August 1966, he served as an air adviser until August 1968. He flew 285 combat missions while serving in Southeast Asia.

From September 1968 to November 1969, General Secord was assigned to Eglin Air Force Base, Fla., as assistant deputy chief of staff for operations, U.S. Air Force Special Operations Force, Tactical Air Command. He then took command of the 603rd Special Operations Squadron

(Current as of February 1982)

OVER

0000 00
0000

at Hurlburt Field, flying A-37B's. He served as squadron commander until 1971 when he entered the Naval War College.

After graduation from the Naval War College in June 1972, General Secord was assigned as a staff assistant in the Office of the Secretary of Defense, Washington, D.C. His duties included serving as desk officer for Laos, Thailand and Vietnam under the assistant secretary of Defense for international security affairs. In July 1973 he assumed the position of executive assistant to the director, Defense Security Assistance Agency, under the secretary of Defense.

In March 1975 General Secord was named deputy commander for operations, 29th Flying Training Wing, Craig Air Force Base, Alaska in this position he was responsible for pilot training in T-37s and T-38s in three squadrons.

General Secord was appointed chief, Air Force Section, Military Assistance Advisory Group, Iran, in September 1975. While there he acted as chief adviser to the commander in chief of the Iranian air force, and managed all U.S. Air Force programs in Iran as well as some Army and Navy security assistance programs and scientific studies and

Following his return to the United States in July 1978, he was appointed director of military assistance and sales, Office of the Deputy Chief of Staff, Logistics and Engineering, Headquarters U.S. Air Force, Washington, D.C. In January 1979 General Secord was named director of international programs, Office of the Deputy Chief of Staff for Programs and Evaluation. He assumed his current duties in April 1981.

General Secord is a command pilot with more than 4,500 flying hours. His military decorations and awards include the Distinguished Service Medal, Legion of Merit, Distinguished Flying Cross, Meritorious Service Medal, Air Medal with two oak leaf clusters, Air Force Commendation Medal, Republic of Thailand Most Exalted Order of the White Elephant and Republic of Korea Order of National Security Merit Cheonsu Medal.

He was promoted to major general May 1, 1980, with date of rank July 1, 1976.

General Secord is married to the former Jo Ann Gibson of Oklahoma City. They have three children: Julie, John and Laura. His hometown is Fort Walton Beach, Fla.

Chapter 21
Footnote 23 21-23 214

ACTION

1100 3000
71100 300

CLASSIFICATION

INSTRUCTIONS

ALWAYS
ACTION

AS 10 5 44 AM '76

ACTION COPY

REPRODUCTION BY OTHER THAN ISSUING OFFICE IS PROHIBITED

STAFF **PRECEDENCE**

PAGE 81

C 7147

TOR: 18 AUG 76

SECRET 18 AUG 76 STAFF

CITE

TO: IMMEDIATE DIRECTOR INFO

REF: DIRECTOR 900015

1.

ALBERT HAKIM -

2. STANFORD TECHNOLOGY CORP (STC) HAD CONTRACT WITH
 IIAF FOR COMMUNICATIONS SURVEILLANCE SYSTEM WHICH WAS DETERMINED
 BY SUPREME COMMANDER'S STAFF (SCS) TO BE DISADVANTAGEOUS TO
 IRANIAN SIDE. CONCLUSIONS OF SCS SPECIAL GROUP [REDACTED] JAN
 76 [REDACTED] WERE THAT [REDACTED] HAD
 ADVANTAGE OF IIAF AND HAD SUCCEEDED IN UNLOADING QUANTITY
 UNNEEDED OVERSOPHISTICATED EQUIPMENT AT EXORBITANT PRICE.
 CONTRACT WAS TERMINATED BY SCS CHAIRMAN AT [REDACTED]
 SPECIAL GROUP AND EQUIPMENT THAT HAD ALREADY BEEN [REDACTED]

DOC. MICRO. SER.
1-20-76 1993
MICROFILMED



WAS DISTRIBUTED AMONG IIAF ELEMENTS. CONTRACT HAD BEEN SIGNED

BY [REDACTED] WITHOUT CLEARANCE OF HIS SUPERIORS AND

REVIEWED FOR RELEASE

RECORD COPY R

DO 93739 AUG 76

Date 28 APR 1987

Part 3 Declassified/Released on 1/29/97
under provisions of E.O. 12958
J. B. Reger, National Security Council

4299

C/11/29/63

151 889-28

210

FORM 3000
1-71 (NS) 270

MAIL ROOM BY: [REDACTED] DATE: [REDACTED] BY: [REDACTED]

SECRET

REPRODUCTION BY OTHER THAN ISSUING OFFICE IS PROHIBITED

19 MEMORANDUM FOR: [REDACTED]

BY: [REDACTED] AT: [REDACTED] Z: [REDACTED]

ATTENTION: [REDACTED]

ACTIVITY: [REDACTED] ACTION: [REDACTED] VR: [REDACTED]

STAFF			
1		4	
2		3	
3		6	

C 7148

PAGE 02-02

IN 012697

TOR: 18 [REDACTED] AUG 76 [REDACTED]

[REDACTED] HAS COME UNDER CRITICISM AS RESULT.

3. [REDACTED]

-4. IN VIEW UNSAVORY REPUTATION OF STC HERE AND [REDACTED]

OF STC HERE AND [REDACTED]

NOT [REDACTED] APPRECIATE HEADQUARTER

HAVING

IDENTIFIED THIS OPPORTUNITY.

IMPDET

88.02.330 I

ACTION COPY



C11A 2963

REVIEWED FOR RELEASE
28 APR 1987

Date HSC & SSC

SECRET

UNCLASSIFIED

- 24

OUTGC 1G MESSAGE

13

SIGNAL CENTER USE ONLY

OMP [REDACTED] 0 0 0
 SE [REDACTED]
 STAFF [REDACTED] 37 DIRECTOR
 CONF [REDACTED] FILE [REDACTED]

MESSAGE REFERENCE NUMBER

900016

DISSEM BY [REDACTED]
 NO INDEX
 RETURN TO PER
 FILED 714y

TO: TMR

REF: DIRECTOR 900015 Y IDEN TO DIR-900015, 17 AUG 76

1. IDEN: MR. ALBERT HAKIM, BORN TEHRAN IN 1936, OF JEWISH PARENTAGE. GRADUATED 1958 WITH BSEE DEGREE FROM CALIFORNIA POLYTECH. MARRIED, TWO CHILDREN, RESIDES GEX, FRANCE, BUT ALSO MAINTAINS RESIDENCE IN TEHRAN. HE IS A OWNER OF AND EUROPEAN REPRESENTATIVE OF THE STANFORD TECHNOLOGY CORPORATION OF MOUNTAIN VIEW, CALIFORNIA. HAKIM IS ALSO PRESIDENT OF MULTICORP INTERNATIONAL, LTD., 130 SORAYA AVENUE, TEHRAN, AND OF IRANIAN INTERNATIONAL INVESTMENT COMPANY OF TEHRAN AND APPEARS HEAVILY ENGAGED IN THE EXPORT OF AMERICAN OPEN MARKET TECHNOLOGY TO IRAN AND OTHER PARTS OF THE MIDDLE EAST. HE PURPORTS TO BE CURRENTLY IN PROCESS OF SELLING STANFORD TECHNOLOGY CORPORATION INTEGRATED SECURITY SYSTEM TO IRANIANS WHICH DEALS WITH COMMUNICATIONS SURVEILLANCE, TELE DIRECTION FINDING AND TELEPHONE MONITORING, AS WELL AS UNDER CONTRACT TO SELL SAVAK EXTENSIVE TELEPHONE MONITORING SYSTEM IN THE MILLION DOLLAR PRICE RANGE. Y

DATE:
ORIG:
UNIT:
EXT:

REVIEWED FOR RELEASE
Date 28 APR 1987

DOC. MICRO.

REC 034983
MICROFILMED

HSC & SSC

DO 9372 17 AUG 76
3 1/2

RECORD COPY

CLASSIFICATION

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED

E 2 IMPDET

Partially Declassified/Classified on 1/2/87
under provisions of E.O. 11652
by 2, Roger National Security Council

UNCLASSIFIED

CIIN 2964

UNCLASSIFIED MESSAGE

1	0	0	0	0	0
2	0	0	0	0	0
3	0	0	0	0	0
4	0	0	0	0	0
5	0	0	0	0	0
6	0	0	0	0	0
7	0	0	0	0	0
8	0	0	0	0	0
9	0	0	0	0	0
0	0	0	0	0	0

OFFICE: 0 0 0 0 0 0
 CLASSIFICATION: S
 DATE-TIME GROUP: 0 0 0 0 0 0

C 7150 2 2

NO: FILE 900016
 MESSAGE NO: 0
 PER: 0
 DISSEM BY: 0
 PER: 0

HAKIM'S IRANIAN CONTACTS ARE:
 [REDACTED]

3. ONLY POSSIBLE IDENTIFIABLE DEROGATORY TRACE IS 35 OCT 54 INFO THAT ONE ALBERT HAKIM, A EMPLOYEE OF [REDACTED] WAS ARRESTED ON 5 OCT 54 BUT RELEASED THE FOLLOWING DAY FOR [REDACTED] OF ADMISSABLE EVIDENCE. HIS ARREST WAS DUE TO THE FACT THAT HIS [REDACTED] WAS DISCOVERED IN PAPERS BELONGING TO [REDACTED]

IN ADDITION, HAKIM APPEARS TO HAVE BEEN INFLUENTIAL IN ^{FURTHERING} [REDACTED] ISRAELI MILITARY EQUIPMENT EXPORTS TO IRAN WHILE AN EMPLOYEE OF [REDACTED] OWNER OF A COMPANY WHICH REPORTEDLY ACTS AS A CONDUIT IN THIS REGARD.

Partially Declassified/Released on 1/20/01 under provisions of E.O. 13526 of P. Reger, National Security Council

C11N2965

DEC 28 1983

DATE: 17 AUGUST 71
 ORIG: [REDACTED]
 UNIT: [REDACTED]
 EXT: [REDACTED]

REVIEWED FOR RELEASE
 0000 08 APR 1987
 HSCJSSC

[Signature]
 ADDO
 RELASING OFFICE



CLASSIFICATION: UNCLASSIFIED
 REPRODUCTION: E 2 IMPDET
 CL BY:

UNCLASSIFIED 224

OUTGOING MESSAGE

SIGNAL CENTER USE ONLY

OFF 0

C 7152 2

SECRET

STAFF

DIRECTOR
900015

DISSEM BY:
PER

CONF:



3. PLEASE ADVISE YOUR IMMEDIATE VIEWS

WE-UNDERSTAND IDEN MAY BE

ON THIS VISIT ONLY UNTIL 20 AUGUST: E-2, IMPDET-A

CIIN 2966

DEC 28 '83



DATE: 17 AUGUST 1976
ORIG: [REDACTED]
UNIT: [REDACTED]
EXT: [REDACTED]

REVIEWED FOR RELEASE
Date 28 APR 1987

HSC & SSC

J. [Signature]
ADDO

IN DRAFTS

UNCLASSIFIED

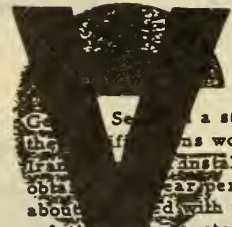
E 2 IMPDET

UNCLASSIFIED

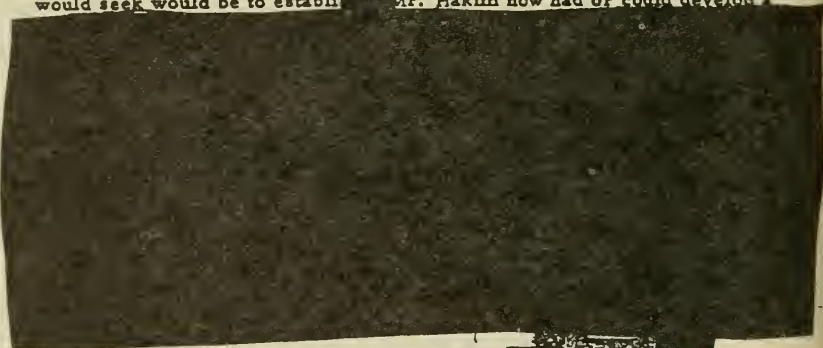
226

-2-

C 7154



Seacord a straightforward presentation on what they envisioned would be for the perimeter security system which the install at their bases. In short, Mr. Hakim would be about their perception of what kind of a system was being thought relative to the system which the Iranians wanted. Mr. Hakim's bid would have to go through the normal competitive bid channels which the United States or the Iranian Government might use in setting up a program for such a system. In other words, if the Iranians purchased a perimeter defense security system through the use of FMS credits, Mr. Hakim would have to submit his bids in accordance with standard FMS guidelines. If, on the other hand, the Iranians decided to buy a security system on the open market, Mr. Hakim would have to bid on this Iranian contract under the provisions of whatever were the normal Iranian contract-letting procedures. In short, Mr. Clines' introduction of Mr. Hakim to Mr. Von Marbod and General Seacord would give Mr. Hakim no commercial advantage per se. Given the Middle East style of business, however, the fact that Mr. Clines had made an introduction between Mr. Hakim and individuals like Mr. Von Marbod, should result in Mr. Hakim being willing to respond to a request for assistance from Mr. Clines. The assistance that Mr. Clines would seek would be to establish Mr. Hakim now had or could develop a



C11N2967

REVIEWED FOR RELEASE

Date 28 APR 1987

HSC & SSC
UNCLASSIFIED

3-112
DO 889369

UNCLASSIFIED

227

C 7155



On 16 August Mr. Shackley contacted an American businessman who had been in touch with Mr. Hakim during the latter's brief transit of Washington enroute to Tehran. This conversation revealed that it had recently become apparent to the American businessman that Mr. Hakim is of Jewish background. In addition, the American businessman has recently established that Mr. Hakim is a 51% stockholder in the Stanford Technical Corporation of Mountainview, California.



Theodore G. Shackley

Theodore G. Shackley
Associate Deputy Director for Operations

Distribution:

- 1 - DDO
- 1 - [redacted]
- 1 - [redacted]
- 1 - [redacted]
- 2 - ADDO

A

CIIN 2967

REVIEWED FOR RELEASE
88 APR 1987

Date HSC & SSC

DO 309068
3 112

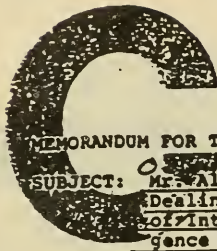
UNCLASSIFIED

Chapter 21
Footnote 23

228
C 7156

UNCLASSIFIED

5 August 1976



MEMORANDUM FOR THE RECORD

SUBJECT: Mr. Albert Hakim, Iranian National and Import/Exporter Dealing Primarily in Security Systems and Technology of Interest to Military Establishments and Intelligence Services

1. Background: In the period May to August 1976, [redacted] had collected numerous references to Mr. Albert Hakim, born 1936 in Tehran, Iran, which indicated that this gentleman was an influential factor in the export of American open market technology to countries like Iran and Egypt.



The synthesis of the data which was obtained in the May to August 1976 time frame can be outlined as follows:

- a. Educational Background: Mr. Hakim is a 1958 graduate with a BSEE degree from California Polytech. Mr. Hakim considers himself a specialist in electronics, particularly insofar as this area of technology relates to the problems of military establishments and intelligence services.
- b. Marital Status: Mr. Hakim is married and has two children. The children attend school in Switzerland.
- c. Residence: Mr. Hakim resides officially in Gex, France, but he also maintains a residence in Tehran, Iran. In addition, he is a frequent visitor to the home offices of Stanford Technology Corporation, 510 Logue Avenue, Mountain View, California 94040. In addition Mr. Hakim spends a lot of time in Geneva, Switzerland.
- d. Commercial Structure: Mr. Hakim is involved in a number of commercial enterprises. In discussions which deal with potential exports from the U.S. to Iran, he represents himself as the President of Multicorp International, Ltd., 130 Soray Avenue, Tehran, Iran. In

8-1782
 [unclear]
 [unclear]

CIN 2968

REVIEWED FOR RELEASE
Date 28 APR 1987
HSC / SSC

UNCLASSIFIED

DO 9367 3 11
E-2, IMPDET
CL BY [redacted]
05 AUG 76

3450

UNCLASSIFIED
~~SECRET~~

217
C 7157

2.

other conversations he indicates that he is the European representative for the Stanford Technology Corporation with a mailing address of P.O. Box 52, 1211 Geneva, 24 Switzerland.

e. Type of Business: Mr. Hakim has let it be known that he is currently in the process of selling the RDJ-97000 Security System of the Stanford Technology Corporation to Iran. This is an integrated security system which deals with communications surveillance, mobile direction finding and telephone monitoring.

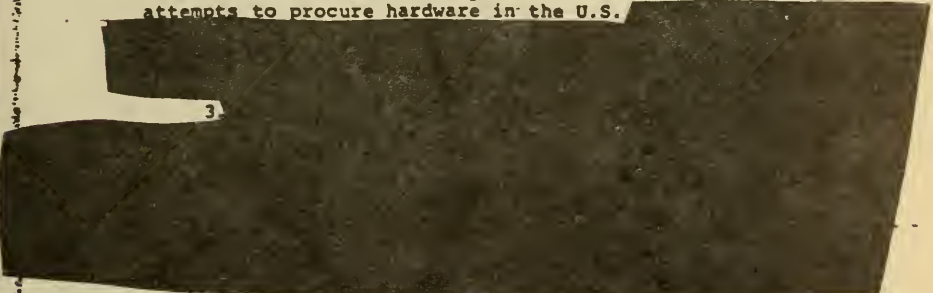


f.

g.

2. Assessment:

Mr. Hakim is quite anxious to play a pivotal role in the Iranian purchase of American technology. As a result, Mr. Hakim is casting about for contacts in the U.S. Government with whom he can find a mutuality of interest concerning Iranian attempts to procure hardware in the U.S.



3.

CI/N 0968

REVIEWED FOR RELEASE
Date 28 APR 80

UNCLASSIFIED

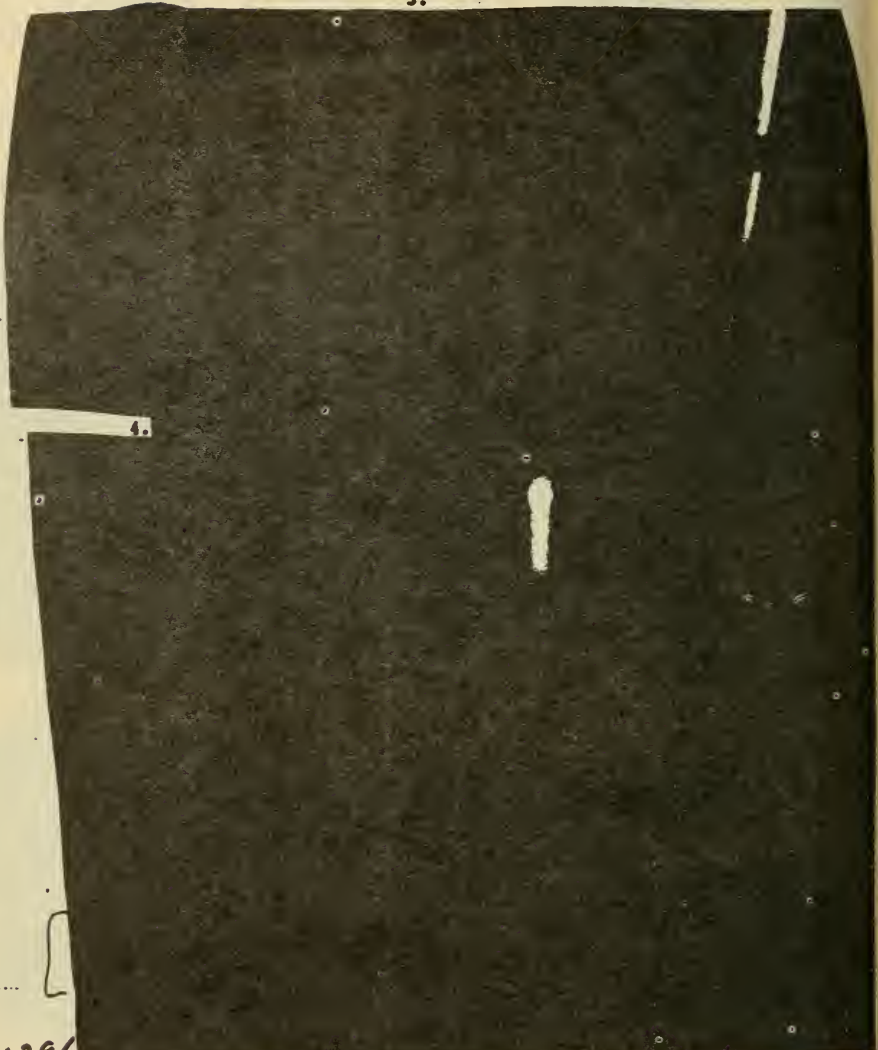
9366 - 3 1/2

UNCLASSIFIED

SECRET

250
C 7158

3.



4.

CI/N296

REVIEWED FOR RELEASE
28 APR 1987

UNCLASSIFIED

09385 3 1/2

UNCLASSIFIED

231

C 7159



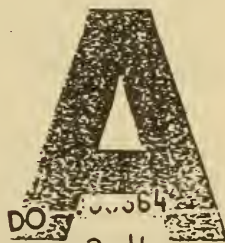
Theodore G. Shackley

Theodore G. Shackley

Associate Deputy Director for Operations

Distribution

- 1 - [redacted]
- 1 - DDO
- 2 - ADDO
- 1 - [redacted]



3 1/2

C11N2968

REF. ENCL FOR RELEASE
Date 28 APR 1987
MSC, STC

UNCLASSIFIED

Chapter 21, Part 21-24

UNCLASSIFIED
SECRET
CLASSIFICATIONAX 58-222
AX 58-223
AX 206A-132SECOND INTERVIEWS

During initial interview on December 17, 1981, General Secord was advised that on a recent CBS Television interview with Douglas Schlachter, allegations were made that Secord and Edwin Wilson worked together to sell military equipment in Iran and attempted to obtain Russian weapons from Libya. General Secord said these allegations were absolutely false as his relationship with Wilson was strictly social. He said he has never entered into any type of business arrangement with Wilson, his companies, or associates. He said further that he never participated with Wilson in any type of intelligence operations nor has he at any time received any money or gratuities from Wilson or his associates. He said he met Wilson about ten years ago at a party, being introduced by Tom Clines. He had known Clines since both served together in Southeast Asia, with both later attending the Naval War College at Rhode Island together in 1971. Secord recalled that from 1972 to 1974, he saw Wilson on a social basis about ten times, having lunch together. He could not remember ever visiting Wilson's farm although invited many times by Wilson. In the summer and fall of 1976, he and Wilson had dinner together in Iran, with Wilson's wife present on one occasion. Wilson told Secord he was working with the Iranian Secret Police and U. S. Naval Intelligence. After returning to the U. S. in June, 1979, he saw Wilson on a social basis. Secord said he has had no contact with Wilson for the past two and a half years and last saw him in Brussels, Belgium, in February or March, 1979, while attending an official Government function. At this meeting, Wilson asked Secord if he was interested in MIG-25 aircraft. He also recalled that in late 1978, he attended a NATO conference in London, England, and met with Wilson while there. Wilson said he was working in Libya.

During interview March 26, 1982, Secord advised he had been to Wilson's farm on several occasions with his wife and children. He admitted going to an office in Northern Virginia with Clines for a briefing by an associate of Wilson's regarding a "super security project" that Wilson was working on. The briefing related to security devices at one of the Iranian Shah's palaces, and when Secord realized it was a "commercial pitch," he terminated the briefing and left. Wilson was present

Page 8-13
 For Declassified/Released on 1/10/87
 under provisions of E.O. 12356
 J. B. Reger, National Security Council

4298
9F B 000389
UNCLASSIFIED
SECRET

UNCLASSIFIED
GROUP 1 EXCEPT WHERE SHOWN OTHERWISE

AX 58-222
 AX 58-223
 AX 206A-182

on that occasion. Secord said he and his staff had considerable influence over major decisions relating to contracting in Iran. He admitted ordering about a dozen small pocket computers that Wilson was displaying in Iran in late 1976 or early 1977, sending Wilson a check for \$200 after receiving the items by mail. Secord recalled meeting Doug Schlachter in about 1978 and seeing him many times, always with Clines and usually at a bar or lounge in Northern Virginia. Secord said he bought a townhouse at Burke, Virginia, from Tom Clines as an investment in 1977, subsequently selling the house to Ed Wilson at the same price he purchased it for. Proceeds of \$20,000 he got from sale of this house he invested in a house at Fort Walton Beach, Florida. He got the \$20,000 in cash from Wilson at a meeting at a Northern Virginia lounge in about September, 1978. No receipt was given for this cash and he thought this cash transaction was unusual. He said others were present when this cash was personally given to him by Wilson. Secord acknowledged using a Beechcraft Baron aircraft that Wilson purchased in about September, 1978. He said he flew Wilson over his property once or twice and met Wilson's girlfriend, Bobbi Barnes, in this regard. The longest trip he made in Wilson's plane was to Miami, Florida, with Tom Clines, and he made other trips around the Washington, D. C., area and a trip to Fort Walton Beach, Florida, in it. He said he paid for the gas expended and utilized the aircraft as Wilson asked him to look after the aircraft periodically and Secord agreed to fly it occasionally. He said Jim Rhyme, an associate of Secord's who worked with Secord in the past, also flew the aircraft at Secord's request. The aircraft was ferried to Europe in 1979. Secord denied that his use of Wilson's aircraft was for any past or future favors.

In late 1978 to early 1979, he met with Wilson in London on a strictly social occasion. Secord was there with Erich Von Marbod seeing a British Government official regarding the Iranian situation. He had drinks with and chatted with Wilson on that occasion. He met Wilson next in Brussels about a year later at Wilson's request delivered by Clines. He had a few drinks with Wilson and the meeting lasted about two hours, with only he and Wilson present. Wilson appeared nervous and discussed Wilson's possibly procuring Soviet aircraft. Secord said he made no promises to Wilson and did nothing further regarding the matter.

UNCLASSIFIED
GROUP 1 EXCEPT WHERE SHOWN OTHERWISE
 NO FOREIGN DISSEMINATION
 F B 000390

UNCLASSIFIED
NO FOREIGN DISSEMINATIONAX 58-222
AX 58-223
AX 206A-182

Secord said he and Clines, working under Ted Shackley,

Clines and Secord. He said at present Clines is one of his few close personal friends. He has had no direct or indirect share in Clines' companies. He said Clines told him that Wilson was responsible for getting a loan (of about \$300,000) for Clines which started or assisted Clines in financing his companies. Secord denied having any interest in EATSCO. He said he traveled to Egypt with Von Marbod in May, 1979, during which Secord was to negotiate an F-4 aircraft deal with the Egyptians. He never heard of Hussein Salem until the summer of 1979. He denied having anything to do with contracting relating to the freight forwarder as pertains to the U. S.-Egyptian foreign military sales credit deal and EATSCO. He said he had no advance information regarding the U. S.-Egyptian foreign military sales loan agreement. Clines told him in 1979 that he was trying to get "part of the action" as related to the contract that Hussein Salem had apparently acquired with Egypt and mentioned he was associated with a freight forwarding company, the Hobelmann Company. Secord advised he first met Von Marbod in 1972 at the Pentagon, working closely with him during 1972-1974. He said they are close professional associates and also served together in Iran in the mid-1970's. He also worked with Von Marbod on [redacted] in the early 1970's. From summer of 1973 - spring 1981, he had almost daily professional meetings with Von Marbod at the Pentagon, including work on highly classified projects regarding Egypt. He recalled that he, Clines, Von Marbod, and several others were together at various Northern Virginia places on a social basis prior to the Camp David Accords situation for casual discussions regarding current events and other matters. Secord admitted visiting Clines' Middleburg, Virginia, residence about ten times and being at the Rotonda condominium owned by Clines or Shirley Brill on one evening. He recalled being at Clines' former Vienna, Virginia, townhouse on a few occasions, also.

During interview on May 20, 1982, Secord provided additional information regarding various areas previously discussed. He admitted that Wilson was to take care of financial arrangements for the Beechcraft Baron aircraft and the gas was often paid for by the service account that had been set up for this aircraft. He denied that Wilson obtained this plane at Secord's request.

UNCLASSIFIED

F B 000391
SECRET
NO FOREIGN DISSEMINATION

AX 58-222
 AX 58-223
 AX 206A-182

SECRET
 UNCLASSIFIED

He said he believes he met Wilson on two occasions in Brussels, the last occasion being when Wilson mentioned the possible acquiring of Soviet aircraft. During the London trip in late 1978 or early 1979, Wilson picked him and Von Marbod up at their hotel and took them to his townhouse. After being at the townhouse a short time, they possibly went out to dinner. Present at the townhouse were Secord, Von Marbod, Wilson, Bobbie Barnes, Diane Bryne, and one of Bryne's children. Secord said he never had any conversations with Wilson regarding the Egypt-EATSCO situation and never discussed this situation with Clines prior to the service agreement being made between Egypt and EATSCO. Secord never knew the details of Clines' association with Salem. Secord said he was not associated with any business activity relating to nuclear fallout clothing while in Iran and has no recollection of any potential deal with Wilson, or associates of Wilson, regarding such clothing.

F B 000392

SECRET
 UNCLASSIFIED

SECRET
UNCLASSIFIED

AX 58-222
AX 58-223
AX 206A-182

SECOND AIRCRAFT USE INFORMATION

Inquiry at Page Beechcraft, Inc., Dulles International Airport, on January 19, 1982, revealed that in August, 1978, a Beechcraft Baron airplane, Model 58, 1977 model year, Serial Number TH779, and U. S. Registration Number N4577S, was purchased by Service de Financement, S.A. of Geneva, Switzerland. Ed Wilson made the initial call to Page which eventually resulted in the purchase. Total cost was \$178,575, paid in three installments (August 9, 1978, September 12, 1978, and September 14, 1978). When purchased and delivered, the aircraft had 490 hours of usage already. Primary contact for invoices and other notices and records was Douglas Schlachter of Rosslyn, Virginia. The two pilots who flew the plane were Richard V. Secord and James Howard Rhyne, and operationally Rhyne was to be the main contact. In about May, 1979, Ed Wilson called Page and said they were planning to export the aircraft. In mid-August, 1979, information was received that the plane was to go to Belgium. In about September, 1979, the plane was apparently taken to Europe. Ownership of the aircraft was transferred to Skyways Aviation, Inc., in about September, 1979, and Page registered the plane to this entity on about September 10, 1979. Page records reveal that 1,000 shares of common stock of Skyways Aviation, Inc., would be issued to Ed Wilson in consideration for transfer of the aircraft to this corporation in connection with the bill of sale.

Page personnel advise the tie-down fee for this aircraft would have been \$120 a month. The Beechcraft Baron (twin engine) uses about twenty gallons of gasoline per hour. (A gallon of aircraft gasoline costs about \$2 as of April, 1982.) Service de Financement was to make available a \$2,000 credit deposit in connection with fuel and maintenance costs for the aircraft; there were to be two users of the aircraft and they would be authorized to sign for fuel and maintenance as necessary.

James Howard Rhyne, during interview May 4, 1982, advised he has known General Secord since they served together in Southeast Asia in about 1965. [redacted] he and Secord shared ownership in a Mooney single-engine aircraft (N7824V) during about 1974-1977. Rhyne met Ed Wilson through Secord in a social setting at Wilson's farm. In about 1977-1978, Secord told Rhyne that Wilson wanted Rhyne to look at an aircraft Wilson was considering buying. Rhyne and Secord looked at the Beechcraft Baron and Rhyne test flew it. He said the plane was loaded with

UNCLASSIFIED

F B 000393
SECRET
NO FOREIGN DISSEMINATION

SECRET
UNCLASSIFIED

AX 58-222
AX 58-223
AX 206A-182

"extras" and Rhyne thought it would be a good investment. Wilson subsequently purchased the plane and Secord asked Rhyne to look after it since he then lived near Dulles Airport. Rhyne agreed. Rhyne looked after maintenance of the aircraft and flew it a total of five to six times, locally and to his home area of Lafayette, Georgia. (Rhyne did consultant work for EATSCO in about late 1979 in connection with their looking to purchase a 707 jet. He received about \$5,700 for his work.) Rhyne said he was introduced by Secord to Erich Von Marbod in about 1979 at Manassas, Virginia, airport. On that occasion, Secord and Von Marbod flew together for about thirty minutes in Rhyne's aircraft. Rhyne said he was present, along with Ted Shackley and others, at the Pentagon ceremony where Secord received his second star as an Air Force General.

Analysis of Secord's flight log for the Beechcraft Baron (voluntarily provided) reveals he used the plane on 31 occasions during the period August 16, 1978 - August 25, 1979, for a total of 59 flying hours.

E

SECRET
UNCLASSIFIED
NO FOREIGN DISSEM

F B 000394

Chapter 21-25
Footnote**UNCLASSIFIED**SECRET
NO FOREIGN DISSEMINATIONAX 58-222
AX 58-223
AX 206A-182CLINES INTERVIEW

During interview on March 23, 1982, Thomas G. Clines advised as follows:

He said in approximately August, 1981, the "New York Times" newspaper started a series of articles about Ed Wilson which linked Clines to Wilson. As a result, Hussein Salem told Clines that Egyptian Government officials were very upset that Clines was associated with EATSCO, due to his reported Wilson connections in the past, as this could possibly have some ramifications of an adverse nature for the Egyptian Government. As a result, in September, 1981, Salem approached Clines and wanted him to sign a document which was written in legal terms by Salem which in effect put Clines on a four-month leave of absence commencing on approximately September 15, 1981. After the four-month leave of absence was over, Salem told Clines that the Government of Egypt had had it with Clines due to further innuendoes about Clines' association with Wilson, and it would be necessary for Clines to terminate any ownership he had with EATSCO. Clines acknowledged that at that time his interest in EATSCO was a 4% ownership. As a result, he said in approximately mid-January, 1982, he severed his relationship with EATSCO. He said Salem agreed to buy out Clines' interest in EATSCO and the finalization of this purchase was still in a pending state. He declined to provide information as to the amount of the settlement pending.

Clines said in the past three years his foreign travel has mostly been to Europe, Mexico, and Egypt. His travel to Europe and Mexico was in connection with API Distributors, Inc., and his travel to Egypt was in connection with EATSCO business.

UNCLASSIFIEDSECRET
NO FOREIGN DISSEMINATION
F B 000404

Pages 28-32

Released on 1/20/88

Under provisions of E.O. 12356

G. Regier, National Security Council

SECRET
NO FOREIGN DISSEMINATION

UNCLASSIFIED

AX 58-222
AX 58-223
AX 206A-182

Clines said he heard Hussein Salem's name "around town" in about the spring of 1979, and he also heard that Salem was living in the Ramada Inn at Tyson's Corner, Virginia. Clines said that Ramada Inn had been a CIA "watering spot" in the past. He said he heard that Salem had an office next to the Ramada Inn, at 7777 Leesburg Pike, Falls Church, Virginia. Clines was associated with Systems Services International, Inc. (SSI), at that time, and he went in and saw Salem at his office and provided him with one of his brochures. He told Salem that he had heard that Salem was holding a contract with Egypt for the shipment to Egypt of a very large amount of U. S.-purchased military equipment and he wanted to assist Salem in connection with this contract. Clines told Salem that he had worked with Rolf Graage with the R. G. Hobelmann freight forwarding company in Baltimore in the past and had a good contact in this regard. Salem liked his SSI brochure and indicated he wanted the independence of working with a person like Clines rather than working with a large established freight forwarder. Clines noted that the brochure he provided Salem said that Clines had good contacts in the Government including at the CIA and at The Pentagon as well as elsewhere. Salem realized that he (Clines) had contact with the R. G. Hobelmann network and that they could handle the job. Salem also realized that he would be in tight control of the freight forwarder by having Clines as a 49% co-partner in what eventually became EATSCO. Subsequently, he put up approximately \$49,000 and Salem put up approximately \$51,000 to establish EATSCO. There was about a month of negotiation between his attorney, Barbara Rossotti of Washington, D. C., and Salem's attorney, a first name unknown Zuckerman, from New York City, New York. From talking with Salem, he learned that Salem was a businessman who had worked in Europe, primarily in Switzerland, in the past. Salem implied that he had been in the United States for several months when Clines initially met him in about the spring of 1979.

Clines said EATSCO was incorporated in Delaware in August, 1979, and is an American entity formed by two American corporations: Systems Services International, Inc., which was totally owned by Clines, and Tersam, USA, which is totally owned by Salem.

UNCLASSIFIED
NO FOREIGN DISSEMINATION

F B 000405

AX 58-222
 AX 58-223
 AX 206A-182

UNCLASSIFIED
 DEPARTMENT OF FOREIGN AFFAIRS
 SECURITY INFORMATION

He was concerned that in his dealings with Salem in forming EATSCO that there be no silent partner, or behind the scene owners, who he was not aware of or familiar with. He understands that Tersam was possibly originally a Panamanian company, and in his negotiation with Salem, he told Salem to set up Tersam, USA. When Tersam, USA, was set up, he said he would go into a partnership business with Salem but would not do so until this had occurred. He insisted on this in order to protect himself from Salem having any possible silent partners or backers who Clines was not aware of.

Clines told Rolf Graage, who is the owner of the R. G. Hobelmann Company, that if he became a co-partner with Salem, Clines would favor Graage as a freight forwarder in connection with the contract with Egypt for shipment of U. S.-purchased military equipment. After Salem saw Hobelmann's facilities, he agreed to go along with favoring Hobelmann rather than with any bigger firm as Salem feared a larger firm might try to take over his (Salem's) business.

Clines said that the contacts with the high officials of the Egyptian Government were Salem's, and it was Clines' impression that Salem had contacts of the highest level with that Government. Clines said he met General Abou Ghazala, the Egyptian Military Attache in Washington, D. C., through Salem and knows General Ghazala well. Clines said that as an owner of EATSCO, he signed the EATSCO service contract with the Egyptian Government, and he noted General Ghazala signed it for the Egyptian Government. (General Ghazala is now Defense Minister.) He also knows Egyptian General Mounir Sabet from Sabet's association with the Egyptian Military Attache's Office in Washington and resultant contacts with EATSCO. He was also familiar with (Kamal) Hassan Ali who also had contact with EATSCO in the past. (Ali is now the Egyptian Foreign Minister.) He said Salem handled all the major contacts in connection with EATSCO and its business.

He recalls that he met Erich Von Marbod at The Pentagon with Salem on one or two occasions. The contacts with Von Marbod were in his position with DSAA as pertained to the EATSCO contract, and the meetings were official meetings.

UNCLASSIFIED
 DEPARTMENT OF FOREIGN AFFAIRS
 SECURITY INFORMATION

F B 000406

UNCLASSIFIED

AX 58-222
 AX 58-223
 AX 206A-182

Clines said that General Richard Secord is a "super personal close friend of mine." He has known Secord since 1967 and he has maintained contact with Secord over the years. He has had no financial association with Secord in the past or presently except he believes he sold a townhouse in the Burke, Virginia, area to Secord in the past. He possibly made \$2,000 on this sale and thinks Secord was assigned in Iran at that time.

Clines said he possibly first met Erich Von Marbod in Southeast Asia in the late 1960's when Von Marbod was possibly the Comptroller with the U. S. Department of Defense. He recalled that Von Marbod was closely associated with the Vietnam-Laos situation from a logistics standpoint. Von Marbod is "a friend" of his but he has not talked to him in about one to one and a half years. He has been out with Von Marbod socially on occasion but does not consider him a close social friend. He has not been to Von Marbod's home, but said Von Marbod may have "dropped by" Clines' place on one occasion.

Clines believes he initially met Ed Wilson in about 1964 when Clines

He said Wilson did not work with him in [redacted] He has not seen Wilson for a couple of years, and believes he last saw Wilson prior to his being indicted. He last talked to Wilson about nine to ten months ago telephonically.

Clines said Wilson was instrumental in Clines' obtaining a loan which helped him get started in business after Clines' retirement from CIA. This occurred in 1978 and the loan has since been paid back to the people it was borrowed from that Wilson put Clines in touch with indirectly. The loan was primarily to set up International Research and Trade, Limited (IRT) which became an "umbrella" company for two other companies of Clines', SSI and API Distributors, Inc. He said the above three companies and EATSCO were the only four companies that he has set up. To his knowledge, Wilson did not even know the name of EATSCO as being a company of Clines.

Clines said he owns two condominium apartments in the Rotonda at McLean, Virginia, a house in Vienna, Virginia, where his wife resides, a house in Middleburg, Virginia, where he resides, and a house at Shawnee Land in the Shenandoah Valley

UNCLASSIFIED

SECRET
 NO FOREIGN DISSEMINATION
 F B 000407

AX 58-222
AX 58-223
AX 206A-182

SECRET
NO FOREIGN DISSEM
UNCLASSIFIED

near Winchester, Virginia, which he rents out to one party year-round. He said at one time he owned a townhouse on Glengyle Street near Vienna, Virginia, but sold this sometime ago.

SECRET
NO FOREIGN DISSEM
UNCLASSIFIED

8 000408



In Reply, Please Refer to
File No.

UNCLASSIFIED
UNITED STATES DEPARTMENT OF JUSTICE

Chapter
Footnot 21-27

FEDERAL BUREAU OF INVESTIGATION F B
Alexandria, Virginia B 2201
August 28, 1984

THOMAS GREGORY CLINES;
HUSSEIN K. E. I. SALEM;
ROLF GRAAGE;
EGYPTIAN AMERICAN TRANSPORT AND
SERVICES CORPORATION (EATSCO);
R. G. HOBELMANN AND COMPANY, INCORPORATED
FRAUD AGAINST THE GOVERNMENT -
DEPARTMENT OF DEFENSE;
FOREIGN CORRUPT PRACTICES ACT

Reference is made to previous letterhead memoranda submitted in this matter, the most recent of which was dated February 1, 1984.

SYNOPSIS OF PROSECUTION, CIVIL SETTLEMENT ACTIONS, AND
PAYMENT TO FEDERAL MARITIME COMMISSION:

During the period July 22, 1983, to January 16, 1984, three corporate and one personal Federal felony convictions were obtained on guilty pleas in United States District Court, in the Eastern District of Virginia, at Alexandria, in connection with the EGYPTIAN AMERICAN TRANSPORT AND SERVICES CORPORATION (EATSCO) investigation. The corporate pleas were by EATSCO; SYSTEMS SERVICES INTERNATIONAL, INCORPORATED (SSI) (a 49 percent original stockholder in EATSCO); and by AIR FREIGHT INTERNATIONAL, INCORPORATED (AFI) (a fully-owned subsidiary of the R. G. HOBELMANN AND COMPANY, INCORPORATED, which was the designated freight forwarder for EATSCO). HUSSEIN K. E. I. SALEM, an Egyptian national who was the President and original 51 percent stockholder in EATSCO, entered the personal plea.

THIS DOCUMENT CONTAINS NEITHER
RECOMMENDATIONS NOR CONCLUSIONS OF
THE FBI. IT IS THE PROPERTY OF
THE FBI AND IS LOANED TO YOUR AGENCY;
IT AND ITS CONTENTS ARE NOT TO BE
DISTRIBUTED OUTSIDE YOUR AGENCY.

4301

UNCLASSIFIED

0 UNCLASSIFIED

F B 2202

RE: THOMAS GREGORY CLINES;
ET AL

In association with these pleas, an aggregate of \$60,000 in fines, \$4,044,000 in civil claims' settlements, and \$76,000 in payment to the Federal Maritime Commission for possible violation of the Shipping Act of 1916, accrued to the United States Government. All of the pleas were in connection with Plea Agreements worked out by the various defendants with representatives of the U.S. Government. Each plea entered related to charges of filing false statements to the U.S. Department of Defense, Defense Security Assistance Agency (DSAA), regarding the cost of shipping military goods to Egypt under the Foreign Military Sales Program, during the period on or about November, 1979, through on or about December 31, 1981.

(The above-mentioned fines, civil claims' settlements, and payment to the Federal Maritime Commission total an amount of \$4,180,000.)

DETAILS OF PROSECUTION, CIVIL SETTLEMENT ACTIONS, AND
PAYMENT TO FEDERAL MARITIME COMMISSION:

On July 22, 1983, at U.S. District Court (USDC), Eastern District of Virginia (EDVA), Alexandria, Virginia, HUSSEIN K. E. I. SALEM, individually and as President of the EGYPTIAN AMERICAN TRANSPORT AND SERVICES CORPORATION (EATSCO), pled guilty to a multiple-count Criminal Information. The Information charged in pertinent part that SALEM and EATSCO agreed to and did file false statements with the U.S. Department of Defense (DOD), Defense Security Assistance Agency (DSAA), regarding the cost of shipping military goods to Egypt.

From in or about November, 1979, through on or about December 31, 1981, there were 34 shipments on which false invoices were submitted. Those invoices showed inflated costs of approximately \$8 million.

Pursuant to a Plea Bargain Agreement reached between the United States and the defendants and approved by the Court, the defendant, SALEM, was sentenced on both counts to pay a fine of \$25,000; the defendant, EATSCO, was likewise sentenced to pay a fine of \$20,000. Further, in settlement of all civil claims by the United States against the defendants, SALEM paid the United States \$3,020,000. The fines and civil settlement were

UNCLASSIFIED

UNCLASSIFIEDRE: THOMAS GREGORY CLINES;
ET AL

F B

2203

satisfied by presentation of certified checks to the Clerk of the USDC and to the U.S. Attorney's Office.

(The three-count Criminal Information charged SALEM and EATSCO in count number one with violation of Title 18, United States Code (USC), Section 371 (Conspiracy); SALEM was charged in count number two with violation of Title 18, USC, Section 1001 and 2 (Submitting Falsely Stated Vouchers); EATSCO was charged in count number three with violation of Title 18, USC, Section 1001 and 2 (Submitting Falsely Stated Vouchers).

On September 1, 1983, AIR FREIGHT INTERNATIONAL, INCORPORATED (AFI), pled guilty in USDC, EDVA, to a one-count Criminal Information charging AFI with filing false invoices with the DOD, DSAA, relating to the costs of shipping military goods to Egypt under the Foreign Military Sales Program (FMSP).

AFI was fined the maximum penalty of \$10,000 pursuant to a Plea Agreement between the United States and AFI. The agreement provided in pertinent part that AFI would pay the United States \$924,000 in settlement of all civil claims; and pay \$76,000 to the Federal Maritime Commission for possible violations of the Shipping Act of 1916.

The Criminal Information charged that from in or about November, 1979, through on or about December 31, 1981, AFI filed false invoices which failed to disclose profits made by AFI for the costs of ocean freight, packing and consolidation relating to the shipment of military goods to Egypt, in violation of Title 18, USC, Section 1001.

(AFI is a wholly-owned subsidiary of the R. G. HOBELMANN AND COMPANY, INCORPORATED, which was the designated freight forwarder for EATSCO regarding Foreign Military Sales equipment shipments to Egypt.)

Checks satisfying the \$10,000 fine, \$924,000 civil claims' settlement, and \$76,000 payment to the Federal Maritime Commission were produced in connection with this plea being accepted by the judge on September 1, 1983.

UNCLASSIFIED

UNCLASSIFIED

F B 2204

RE: THOMAS GREGORY CLINES;
ET AL

On January 16, 1984, SYSTEMS SERVICES INTERNATIONAL, INCORPORATED (SSI), pled guilty in USDC, EDVA (Richmond, Virginia), to a one-count Criminal Information charging SSI with filing false invoices with the DOD, DSAA, relating to the costs of shipping military goods to Egypt under the FMSP.

SSI was fined the maximum penalty of \$10,000 pursuant to a Plea Agreement between the United States and SSI. The agreement further provided that THOMAS CLINES, on behalf of SSI, would pay the United States \$100,000 (within 30 days) in settlement of all civil claims.

The plea of guilty was entered by the President and sole stockholder of SSI, THOMAS G. CLINES. SSI, which is no longer in business, was a 49 percent stockholder of EATSCO in the past.

The Criminal Information charged that from in or about November, 1979, through on or about December 31, 1981, SSI filed false invoices with DSAA, which invoices they then and there well knew were false in that the invoices failed to disclose profits from the ocean freight, packing and consolidation costs of shipping military goods to Egypt, and thereby misrepresented the actual costs of the ocean freight, packing and consolidation (violation of Title 18, USC, Section 1001 and 2).

A certified check in payment for the \$10,000 fine was paid to the U.S. Government at the time the plea was accepted by the judge on January 16, 1984.

One certified check and two treasurer's checks, having a combined total of \$100,000, payable to "Treasurer, United States" were in the possession of the U.S. Government as of February 23, 1984, having been provided in connection with settlement of the civil claims against CLINES' company, SSI.

OPINION OF ASSISTANT UNITED STATES ATTORNEY:

On July 18, 1984, Assistant United States Attorney (AUSA) THEODORE S. GREENBERG, EDVA, Alexandria, Virginia, advised a Special Agent of the FEDERAL BUREAU OF INVESTIGATION (FBI), that based on the above prosecution, civil settlement

UNCLASSIFIED

C
UNCLASSIFIED

F B

2205

RE: THOMAS GREGORY CLINES;
ET AL

actions and payment to the Federal Maritime Commission, the fraud investigation regarding EATSCO and key persons and/or corporate entities associated therewith, has been completed.

UNCLASSIFIED

Chapter 21, Footnote 27

U.S. Department of Justice

Federal Bureau of Investigation

**UNCLASSIFIED**In Reply, Please Refer to
File No.Alexandria, Virginia
January 7, 1986

FB 5038

MAJOR GENERAL RICHARD VERNON SECORD
UNITED STATES AIR FORCE (RETIRED);
THOMAS GREGORY CLINES
BRIBERY; CONFLICT OF INTEREST;
FOREIGN CORRUPT PRACTICES ACT

Reference is made to several investigative reports previously submitted relating to this matter, the last one having been dated March 14, 1984, and bearing the caption "THOMAS GREGORY CLINES; MAJOR GENERAL RICHARD VERNON SECORD, UNITED STATES AIR FORCE; ERICH FRITZ VONMARBOD; BRIBERY; CONFLICT OF INTEREST; FOREIGN CORRUPT PRACTICES ACT."

Captioned investigation has been inactive for an extended period of time pending resolution of a separate interrelated case entitled "THOMAS G. CLINES; ET AL; MISUSE OF CLASSIFIED DOCUMENTS INVOLVING NICARAGUA; ESPIONAGE-X; PERJURY, Office of Origin: Alexandria." This particular case has recently been resolved without any prosecution resulting. (If prosecution had resulted and been successful, this could have had a bearing on captioned case).

On December 16, 1985, Assistant United States Attorney (AUSA) THEODORE S. GREENBERG, Eastern District of Virginia, Alexandria, Virginia, (who has been the prosecutor assigned to this case for several years) rendered an opinion to a Special Agent of the FEDERAL BUREAU OF INVESTIGATION (FBI) that extensive investigation conducted by the FBI in this matter did not produce sufficient evidence to obtain

UNCLASSIFIED

This document contains neither
recommendations nor conclusions of
the FBI. It is the property of
the FBI and is loaned to your agency; it
and its contents are not to be
distributed outside your agency.

4302

UNCLASSIFIED

RE: MAJOR GENERAL RICHARD VERNON SECORD

a conviction of the subjects. He said no further investigation is warranted and he considers this matter closed.

In view of AUSA GREENBERG's opinion, the FBI is conducting no further investigation regarding this matter.

FB 5039

UNCLASSIFIED

UNCLASSIFIED

COMPAGNIE DE SERVICES FIDUCIAIRES S.A.
CENTRE DE MENTHURY, CASE POSTALE 30
1210 GENEVE 12, SUISSE
TELEPHONE 022 737 18 22
TELEGRAMME SERVIDELEX 3007 SAGELCH

Geneva, December 30, 1983.
WIZ/mp

Chapter 21, Footnote 29

CSF

Abdullah Said Bugshan & Bros.
P.O. Box 8399
Riyadh,
Saudi Arabia

21-29

Re: Security Project for Dhahran Airbase

STG 9141

Gentlemen:

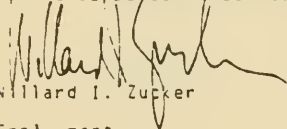
We understand that you are acting as agent for Stanford Technology Trading Group International (hereinafter "STTGI") for their participation in the above described project and we are pleased to provide you with the following additional information to facilitate your efforts to secure this project for STTGI.

Our affiliation with STTGI, its associated and predecessor companies, dates back to 1971. In the intervening years, we have provided various financial services to the group, including acting as one of their bankers. With assets available to us of approximately one hundred million Swiss Francs, we have provided financing for various of their projects in the Middle East, Africa and the Far East, which projects included systems in the areas of security, receiving stations and satellite imaging processing and which projects generally amounted to several millions of dollars. All of the projects of which we have knowledge were successfully completed by the group.

Should you require additional information about our company, you may obtain it either by directing your inquiries to us, to STTGI, or to any of the banks with which we work, the names and addresses of which are enclosed on the attached sheet.

Yours very truly,

COMPAGNIE DE SERVICES FIDUCIAIRES S.A.


Willard I. Zucker

1/20/83
The provisions of E.O. 12958
do not apply to this document
except where National Security is involved

UNCLASSIFIED

Encl. ment.

21-30

CLASSIFIED AT TIME OF PUBLICATION.



CHAPTER 22. THE ENTERPRISE

Chapter 22
Footnote 1

UNCLASSIFIED

EN

0001

SKA  SCHWEIZERISCHE KREDITANSTALT
CS  CREDIT SUISSE CREDITO SVIZZERO

1113

22-1

1211 GENEVE 1

Datum: 1e 14 octobre 1985
Date

MERRILL LYNCH
13, route de Florissant

1211 GENEVE 12

Sie erhalten anbei die gewünschte Auskunft. Gleichzeitig gestatten wir uns, Sie noch auf die üblichen Vorbehalte aufmerksam zu machen.

Nous avons l'honneur de vous remettre, en annexe, les renseignements désirés. En même temps nous nous permettons d'attirer votre attention sur les réserves d'usage.

Vi compieghiamo, in via assolutamente confidenziale e senza alcuna responsabilità né garanzia da parte nostra, le informazioni richieste, pregandovi di farne uso discreto e riservato.

Please find enclosed the requested report. The information is supplied under usual reserve and without responsibility on our part.

Mit freundlichen Grüßen
Distinguez vous
Sincerely yours

SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE CREDITO SVIZZERO

Formular ohne Unterschrift
Modèle sans signature
Form without signature

AGE/JS/vw/620

Conty

11/23/88

4740

UNCLASSIFIED

...Antrag...
...auf Angaben von Geschäftswesen...
...unverbindlich und unter Ausschluss jeglicher...
...für die Folgen, die aus einer Verletzung...
...auf diese Angaben zurückzuführen...
...werden sollen, sondern...
...Anfrage.

...ne pas l'expression de notre appréciation...
...sur des indications...
...sans engagement ni responsabilité...
...de leur communication...
...sur les renseignements...
...à la demande.

La seguente informazione per quanto non è una espressione del nostro
proprio giudizio, si basano su indicazioni altrui e sono ritenute degne
di fede. Vi è tramesso a titolo strettamente confidenziale e senza
impegno né responsabilità da parte nostra. Esse sono destinate ad
esclusivo vostro uso, e vi teniamo responsabili di tutte le conseguenze
che potessero derivare dalle loro comunicazioni a terzi. Non
si possono impegnare a rinviare su questa informazione né esse in
sui loro testi, dovessero venire a conoscenza di un cambiamento nella
situazione reale nella quale vengono qui espressamente indicati. Ni-
cuna informazione sarà né data unicamente essere richiesta.

The report given below is based on as far as it does not represent our
own opinion) on the information received from third parties that are
considered reliable. It is given in strict confidence and without any
commitment or responsibility on our part. Furthermore, it is for your
own use exclusively, and we would have to hold you liable for any
consequences which might arise from its transmission to third parties.
We cannot undertake in regard to the information should we hear of
any changes in the situation of the subject of your enquiry at a later
date; they would be reported to you upon a new enquiry only.

COMPAGNIE DE SERVICES FINANCIERES SA
JCF, Chemin du...
1206 Genève

UNCLASSIFIED

Société créée le 13 septembre 1971, avec un capital-actions de FRF 415'000.--,
dernier changement 23.01.1979, les actions sont détenues par l'épouse de Monsieur
Willard-I. ZUCKER.

Le but de la société consiste à donner tous conseils en matière fiscale, finan-
cière, juridique et économique et gérer tous biens pour le compte de tiers. La
société pourra prendre également toutes participations à toutes entreprises fi-
nancières, mobilières ou immobilières.

Nous sommes en relation d'affaire avec la société précitée depuis le 4 décembre
1978 et les affaires traitées se sont déroulées à notre entière satisfaction.

La société est sérieusement dirigée et administrée et selon nos expériences,
elle ne souscrit aucun engagement qu'elle ne pourrait pas tenir.

s.g.n.r.

UNCLASSIFIED

82-684 195

Ihre Anfrage vom /Votre demande du /Vostre domanda di /Your inquiry of: 08.10.85

Datum /Date /Data: Genève, le 14.10.85
AGF/JJS/vw/620

REF:

UNCLASSIFIED

EN

0031

Compagnie De Services Fiduciares

Company created on September 13th, 1971, with a capital and shares totalling 415,000. . . ., last change made on 23.01.1979, the shares are held by the wife of Mr. Willard I. Zucker.

The company's goal is to give all advice on fiscal, financial, judicial and economic matters and handle all financial goods of the customer. The company would also take part or participate in any financial and real estate actions or enterprises.

We have been in business with the already mentioned firm from December 4th, 1978, and all business has been perfectly carried out.

The company is efficiently and seriously run, and we believe that it would engage in no commitment which it would not be able to honor.

UNCLASSIFIED

Dun & Bradstreet REPORT

VERIFIER SI LES NOMS, BRANCHE ET ADRESSE CORRESPONDENT A LA DEMANDE

CONFIDENTIAL

COMPAGNIE DE SERVICES FIDUCIAIRES SA

UNCLASSIFIED

PAGE 2

The company has no real estate holdings.

Business premises are rented. Monthly rent amounts to SFr. 4.400.
 Sales are represented by fees, commission and interests.
 Sales for 1979 were estimated at SFr. 3.000.000, in 1980 at SFr.
 4.250.000, in 1983 at SFr. 5.450.000, and in 1984 at SFr. 5.450.000.
 The earnings position is considered good.
 The financial situation is considered sound.

Tax figures (in SFr.):

Due to official regulations, no tax figures are available.

Banking:

- Compagnie de Banque et d'Investissement, Geneva.
- Swiss Credit, Eaux-Vives/Geneva.
- Trade Development Bank, Geneva.
- Republic National Bank, New-York.

Auditors:

Fiduciaire Audifid, Fribourg.

HISTORY

Joint stock company. Registered in the Trade Register for the first time on 13/09/1971
 The company is newly established.

Board of Directors:

JEAN DE SENARCLENS, from Geneva, in Chêne-Bougeries, chairman with individual signature.
 He was born in 1916, married and father. Jurist, he is director of some companies.
 ALFRED STOHLER, from Pretteln, in Prangins, member of the board with joint signature.
 Management:
 WILLARD I. ZUCKER, from USA, in Bernex, manager with individual signature.
 ROLAND FARINA, from and in Geneva, assistant manager with individual signature.

OPERATION

Es handelt sich hierbei um ein kleineres Unternehmen von geringer
 örtlicher Bedeutung.
 Business volume is considered good.
 There is (are) 15 employee(s).

UNCLASSIFIED

Dun & Bradstreet REPORT

UNCLASSIFIED

CONFIDENTIAL

VÉRIFIER SI LES NOMS, BIEN QU'ET ADRESSE CORRESPONDENT À LA DEMANDE

EN

0000

COMPAGNIE DE SERVICES FIDUCIAIRES SA

PAGE 3

Facilities:

Business premises are located at the above address and are rented.

Location:

Business premises are located on the outskirts of the city.

Branches:

None.

AFFILIATES

- TRADE AFFILIATES SA, same address, which will be liquidated.
- CSF INVESTMENTS LTD, in Bermuda.

UNCLASSIFIED

22-3

CLASSIFIED AT TIME OF PUBLICATION.

UNCLASSIFIED

CSG
file

TELEGRAMS SERVICE TELETYPE SERVICE
TELEPHONE SERVICE
TELEVISION SERVICE
RADIO SERVICE

Geneva, December 30, 1983.
WIZ/mp

Chapter 22
Footnote 4

CSF

Abdullah Said Bugshan & Bros.
P.O. Box 8399
Riyadh,
Saudi Arabia

22-4

Re: Security Project for Dhahran Airbase

STG 9141

Gentlemen:

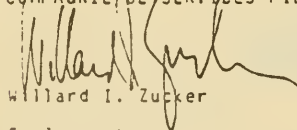
We understand that you are acting as agent for Stanford Technology Trading Group International (hereinafter "STTGI") for their participation in the above described project and we are pleased to provide you with the following additional information to facilitate your efforts to secure this project for STTGI.

Our affiliation with STTGI, its associated and predecessor companies, dates back to 1971. In the intervening years, we have provided various financial services to the group, including acting as one of their bankers. With assets available to us of approximately one hundred million Swiss Francs, we have provided financing for various of their projects in the Middle East, Africa and the Far East, which projects included systems in the areas of security, receiving stations and satellite imaging processing and which projects generally amounted to several millions of dollars. All of the projects of which we have knowledge were successfully completed by the group.

Should you require additional information about our company, you may obtain it either by directing your inquiries to us, to STTGI, or to any of the banks with which we work, the names and addresses of which are enclosed on the attached sheet.

Yours very truly,

COMPAGNIE DE SERVICES FIDUCIAIRES S.A.


Willard I. Zucker

~~Confidential~~ - Use in accordance with E.O. 12958
by B. Dept. National Security Council

4741

Encl. ment.

UNCLASSIFIED

Chapter 22-5 note 5

Financial and Fiduciary Services



UNCLASSIFIED

S16 15451

Through its internationally trained staff and portfolio companies, STTGI offers a full range of fiduciary and financial services designed to serve the needs of international clientele. These services include:

- **Investment Management**

Administration of a client's assets on an advisory or discretionary basis is in accordance with the client's objectives; that is, either to make recommendations to the client or to exercise our discretion on the client's behalf.

- **Commercial Services**

STTGI can assist companies in establishing and developing business relationships for the licensing of industrial property such as patents, know-how, and trademarks. For arranging joint ventures with foreign participants and generally to represent the interest of clients in Western Europe and the Middle East.

- **Banking and Financial Support**

STTGI can provide unique banking and business financial services offshore and in Europe for International business operations. Under proper circumstances STTGI can also provide financial support that might not otherwise be available for project implementation.

- **Tax Consultancy**

STTGI can provide unique tax consultancy services based on the use and availability of its international investment management operations.

~~CONFIDENTIAL~~ E.O. 12958
 Under Executive Order 12958, this information is classified as CONFIDENTIAL
 Date of Review: 1/27/2002
 Authority: 50 U.S.C. 3042

UNCLASSIFIED

4742

International Trading



UNCLASSIFIED

STG 13453

International Trade and Commerce is a complex business even when goods and services are bought and sold through exchange of currency. Often bartering or off-sets are necessary to achieve a successful transaction, and this is an even more complex affair. STGI's staff and portfolio companies can help in the following ways:

- **Bartering and Off-Sets**

Through its worldwide contacts, STGI is aware of diverse needs and available commodities, goods and services. Through creative and skillful bartering and off-set arrangements these elements can be brought together to achieve a successful transaction for all concerned.

- **Shipping and Freight Forwarding**

International trade involves customs, shipping and freight forwarding which can be frustrating, time consuming and costly. STGI's experienced staff is available to ease the burden in these matters.

- **Product Sourcing**

Quality products, components and services at a competitive price are vital ingredients of any successful business. STGI's personnel have years of experience in finding the right product at the right price on a world wide basis.

- **International Marketing And Sales**

STGI has an extensive international marketing network, and its staff members, many of whom have lived and worked overseas, have a broad marketing and technical sales background. These capabilities can be made available to your organization to provide a dynamic and cost effective international marketing and sales team. As a member of STGI you can reach new markets with your products and services, and you will have the opportunity to work with other STGI companies who complement your own capability.

UNCLASSIFIED

UNCLASSIFIED

Chapter 22
Topic - 6
EN 007

TO: Secord Main Witness File

FROM: ~~Kevin Appleby~~ ^{Steve Moskly}

22-6

RE: STGI Phone Records

DATE: October 6, 1987

Enclosed phone logs correlate with documented movement of Enterprise funds through Secord/Hakim account network.

generated by state accountants using Zucker-
Leigars
JRM

Partially ~~declassified~~ / ~~release~~ on 1/22/88 -
under provision of E.O. 12958
by B. J. [unclear], National Security Council

UNCLASSIFIED

4743

FOR SECURE

UNCLASSIFIED

EN

0071

FROM FROM NUMBER TO NUMBER TIME LEN

** DATE OF CALLS: 05/28/85

Unlisted - MCLEAN, VA [REDACTED] 1148 1 CSF
 05/30/85 Transworld Arms \$ 8,000
 Portugal Arms 57,500
 05/31/85 Calero Payment 299,848

** DATE OF CALLS: 10/04/85

SANTRE, FL [REDACTED] 1139 5 CSF
 10/04/85 Hakim \$ 1,500

** DATE OF CALLS: 10/08/85

STGI { MCLEAN, VA [REDACTED] 1205 2
 MCLEAN, VA [REDACTED] 1040 4
 MCLEAN, VA [REDACTED] 1013 4
 Unlisted - MCLEAN, VA [REDACTED] 902 1
 10/11/87 IC Income \$ 99,948

** DATE OF CALLS: 10/09/85

STGI { MCLEAN, VA [REDACTED] 1354 1 - Zunder Res
 MCLEAN, VA [REDACTED] 1355 2 - CSF

** DATE OF CALLS: 10/11/85

Shalimar - SHALIMAR, FL [REDACTED] 818 6

** DATE OF CALLS: 10/14/85

MCLEAN, VA [REDACTED] 1517 3 W2
 MCLEAN, VA [REDACTED] 1516 1 |
 10/15/85 Masoudi \$ 5,000
 Quintero 4,000
 Hakim 2,000

** DATE OF CALLS: 10/30/85

MCLEAN, VA [REDACTED] 143 7 } Hotel Res

** DATE OF CALLS: 10/31/85

Unlisted - MEMPHIS, TN [REDACTED] 1136 2

** DATE OF CALLS: 11/04/85

STGI { MCLEAN, VA [REDACTED] 938 3 CSF
 11/04/85 IC Income \$ 149,916

** DATE OF CALLS: 11/07/85

MCLEAN, VA [REDACTED] 1009 8 Lawyer

UNCLASSIFIED

EN

0095

UNCLASSIFIED

classified	- PANAMA CITY, FL	[REDACTED]	1006	1	CSF
classified	- PANAMA CITY, FL	[REDACTED]	832	1	
classified	- MOULTRIE, GA	[REDACTED]	1320	8	Holick
classified	- PANAMA CITY, FL	[REDACTED]	833	1	

11/07/85

JTG

** DATE OF CALLS:	11/08/85	[REDACTED]	1308	15	
	MCLEAN, VA	[REDACTED]			

** DATE OF CALLS:	11/18/85	[REDACTED]	1047	4	CSF
	MCLEAN, VA	[REDACTED]			
	11/18/85	Ace	\$ 450,630		

** DATE OF CALLS:	11/19/85	[REDACTED]	641	8	
	SAN JOSE, CA	[REDACTED]			
	VIENNA, VA	[REDACTED]	1206	3	
	(See 11/20/85)				

** DATE OF CALLS:	11/20/85	[REDACTED]	835	5	
	NEW YORK, NY	[REDACTED]	945	8	
	11/19/85	Israel Income	\$1,000,000		
	11/20/85	Legal Fees	7,500		
		Port-Arms	100,000		
		Hakim	21,470		

** DATE OF CALLS:	12/06/85	[REDACTED]	1148	1	
	MCLEAN, VA	[REDACTED]	1223	1	
	MCLEAN, VA	[REDACTED]			

** DATE OF CALLS:	12/09/85	[REDACTED]	514	4	
	LOS GATOS, CA	[REDACTED]			
	(See 12/10/85)				

** DATE OF CALLS:	12/10/85	[REDACTED]	945	5	
	MCLEAN, VA	[REDACTED]			
	12/09/85	Southern Air	\$ 60,000		
	12/10/85	"	"		

** DATE OF CALLS:	12/11/85	[REDACTED]	328	21	
	LOS GATOS, CA	[REDACTED]	513	10	
	LOS GATOS, CA	[REDACTED]			
	12/11/85	Portugal Arms	\$300,000		
	12/13/85	"	"		

** DATE OF CALLS:	12/12/85	[REDACTED]	1113	4	
	MCLEAN, VA	[REDACTED]			

** DATE OF CALLS:	12/13/85	[REDACTED]	921	11	
	LOS GATOS, CA	[REDACTED]	750	4	
	LOS GATOS, CA	[REDACTED]			

** DATE OF CALLS: 12/16/85

UNCLASSIFIED

UNCLASSIFIED

EN

0075

SAN JOSE, CA

12/16/85	Aeroleasing	620	
	Hakim	\$ 21,983	
	I.C.	2,386	
	CT	299,903	
	Hakim	50,000	
	Korel	100,800	
	Quintero	100,800	
	Business Expense	10,000	
	Southern Air	50,000	
	Montero	58,500	
		2,540	

6 AF Lee
CSF

** DATE OF CALLS: 12/18/85

MCLEAN, VA		930	2	HI
MCLEAN, VA		1601	3	

** DATE OF CALLS: 12/20/85

MCLEAN, VA		1006	3	CSF
12/20/85	-----	-----		

** DATE OF CALLS: 12/30/85

LOS GATOS, CA		906	7	
12/30/85	-----	-----		

** DATE OF CALLS: 01/02/86

LOS GATOS, CA		641	3	
01/02/86	-----	-----		

** DATE OF CALLS: 01/03/86

LOS GATOS, CA		657	3	
01/03/86	-----	-----		

** DATE OF CALLS: 01/06/86

MCLEAN, VA		1643	1	HI
MCLEAN, VA		1644	1	Hotel Warrant
LOS GATOS, CA		644	8	CSF
LOS GATOS, CA		749	4	
01/06/86	-----	-----		

** DATE OF CALLS: 01/07/86

MCLEAN, VA		1014	1	
01/07/86	Quintero	\$ 4,000		
	Management Fees	882		
	L. Hamilton Airfield	125,000		
	Miller C (Deposit) (?)	60,000		

** DATE OF CALLS: 01/13/86

MCLEAN, VA		943	2	
MCLEAN, VA		943	2	
01/13/86		\$ 10,000		

** DATE OF CALLS: 01/14/86

MCLEAN, VA		1203	3	
MCLEAN, VA		1240	0	

UNCLASSIFIED

UNCLASSIFIED

{ *stg*
 MCLEAN, VA [REDACTED] 1534 3 *zuck*
 MCLEAN, VA [REDACTED] 1203 3 *CSF*
 MCLEAN, VA [REDACTED] 1240 1
 MCLEAN, VA [REDACTED] 1534 3 *wz*
 01/14/86 Maule \$ 5,100

** DATE OF CALLS: 01/15/86
 - QUEENS, NY [REDACTED] 909 4 *CSF*
 01/15/86 -----

** DATE OF CALLS: 01/16/86
 MCLEAN, VA [REDACTED] 916 4
 MCLEAN, VA [REDACTED] 927 4
 MCLEAN, VA [REDACTED] 1112 5
 01/16/86 -----

** DATE OF CALLS: 01/17/86
 MCLEAN, VA [REDACTED] 1029 9
 01/17/86 -----

** DATE OF CALLS: 01/19/86
 LOS GATOS, CA [REDACTED] 2305 1
 LOS GATOS, CA [REDACTED] 2303 1 *to Roland J...*

** DATE OF CALLS: 01/20/86
 LOS GATOS, CA [REDACTED] 458 6 *CSF*
 01/20/86 Howard Rice \$ 20,000
 Ace 230,000

** DATE OF CALLS: 01/27/86
 LOS GATOS, CA [REDACTED] 751 4
 01/27/86 Defex Frebourg (?) \$ 26,174

** DATE OF CALLS: 01/29/86
 LOS GATOS, CA [REDACTED] 43 4
 LOS GATOS, CA [REDACTED] 17 4
 01/29/86 Quintero \$ 4,000

** DATE OF CALLS: 01/31/86
 LOS GATOS, CA [REDACTED] 827 17
 LOS GATOS, CA [REDACTED] 803 2
 LOS GATOS, CA [REDACTED] 806 2
 LOS GATOS, CA [REDACTED] 753 6
 01/31/86 Ace \$150,000

** DATE OF CALLS: 02/02/86
 LOS GATOS, CA [REDACTED] 2234 6 *RF*

** DATE OF CALLS: 02/03/86
 LOS GATOS, CA [REDACTED] 602 3 *CSF*
 LOS GATOS, CA [REDACTED] 101 2 *i*
 02/03/86 Maule \$ 50,535

** DATE OF CALLS: 02/04/86

UNCLASSIFIED

UNCLASSIFIED

LN

CC

LOS GATOS, CA [REDACTED] 414 2 CSF
 02/04/86 -----

** DATE OF CALLS: 02/05/86

LOS GATOS, CA 522 3
 LOS GATOS, CA [REDACTED] 404 3
 LOS GATOS, CA [REDACTED] 0 5
 LOS GATOS, CA [REDACTED] 800 2
 02/05/86 Scitech \$100,000
 Hakim 165,000
 Funds from Kashoggi 2,500,000

** DATE OF CALLS: 02/07/86

LOS GATOS, CA 813 2
 LOS GATOS, CA [REDACTED] 1202 3
 LOS GATOS, CA [REDACTED] 2345 5 WZ
 LOS GATOS, CA [REDACTED] 2302 5 WZ
 LOS GATOS, CA [REDACTED] 331 6 CSF
 LOS GATOS, CA [REDACTED] 2323 7 WZ
 LOS GATOS, CA [REDACTED] 548 3 CSF
 LOS GATOS, CA [REDACTED] 2250 10 RF
 02/07/86 -----

** DATE OF CALLS: 02/08/86

LOS GATOS, CA [REDACTED] 1211 2 WZ
 LOS GATOS, CA [REDACTED] 1221 4
 LOS GATOS, CA [REDACTED] 1206 1 HI
 LOS GATOS, CA [REDACTED] 1208 2

** DATE OF CALLS: 02/09/86

LOS GATOS, CA [REDACTED] 219 1
 LOS GATOS, CA [REDACTED] 627 3
 LOS GATOS, CA [REDACTED] 633 1

** DATE OF CALLS: 02/10/86

STG } MCLEAN, VA [REDACTED] 1106 5 CSF
 MCLEAN, VA [REDACTED] 1220 5
 LOS GATOS, CA [REDACTED] 559 2 CSF
 LOS GATOS, CA [REDACTED] 822 3 CSF
 LOS GATOS, CA [REDACTED] 601 8 CSF
 BEVERLY HILLS, CA [REDACTED] 1234 2
 LOS GATOS, CA [REDACTED] 125 4
 LOS GATOS, CA [REDACTED] 640 6
 LOS GATOS, CA [REDACTED] 722 1
 LOS GATOS, CA [REDACTED] 619 4
 LOS GATOS, CA [REDACTED] 520 10
 02/10/86 Kashoggi \$2,500,000
 CIA 1,850,000
 CIA 1,850,000

** DATE OF CALLS: 02/11/86

LOS GATOS, CA [REDACTED] 921 4 CSF
 LOS GATOS, CA [REDACTED] 429 6

UNCLASSIFIED

UNCLASSIFIED

LN

0073

LOS GATOS, CA	[REDACTED]	1206	4	
LOS GATOS, CA	[REDACTED]	2337	7	CSIF
02/11/86	-----			

** DATE OF CALLS: 02/12/86

LOS GATOS, CA	[REDACTED]	1041	3	RF
LOS GATOS, CA	[REDACTED]	703	3	CSIF
02/12/86	-----			

** DATE OF CALLS: 02/13/86

LOS GATOS, CA	[REDACTED]	519	8	
LOS GATOS, CA	[REDACTED]	411	4	
LOS GATOS, CA	[REDACTED]	552	4	
LOS GATOS, CA	[REDACTED]	758	2	
LOS GATOS, CA	[REDACTED]	749	6	
02/12/86	Korel	\$ 35,000		

** DATE OF CALLS: 02/14/86

-SULLIVANS,	[REDACTED]	906	2	
ISLAND				
LOS GATOS, CA		0	3	
02/14/86	Eust (?)	\$ 10,000		
	Bank of Ostar	31,500		
	Montero	10,417		
	Korel	165,000		
	Business	300		
	[REDACTED]	3,500		
	[REDACTED]	10,000		
	CTEA	15,000		
	Southern Air	270,000		

** DATE OF CALLS: 02/17/86

BEVERLY HILLS,	[REDACTED]	1631	28	
CA				

** DATE OF CALLS: 02/18/86

BEVERLY HILLS,	[REDACTED]	906	15	
CA				
BEVERLY HILLS,	[REDACTED]	845	1	
CA				

*Hotel
Delmon*

** DATE OF CALLS: 02/21/86

LOS GATOS, CA	[REDACTED]	2128	39	
LOS GATOS, CA	[REDACTED]	1411	21	
LOS GATOS, CA	[REDACTED]	1300	4	

** DATE OF CALLS: 02/22/86

MCLEAN, VA	[REDACTED]	1450	2	
LOS GATOS, CA	[REDACTED]	1936	20	
ATLANTA, GA	[REDACTED]	1600	5	
LOS GATOS, CA	[REDACTED]	2152	2	
LOS GATOS, CA	[REDACTED]	2136	12	
ATLANTA, GA	[REDACTED]	1309	8	
LOS GATOS, CA	[REDACTED]	848	19	

UNCLASSIFIED

UNCLASSIFIED

FN

0000

** DATE OF CALLS: 02/23/86

LOS GATOS, CA	[REDACTED]	1602	6	40
LOS GATOS, CA	[REDACTED]	905	14	
LOS GATOS, CA	[REDACTED]	2153	5	

** DATE OF CALLS: 02/27/86

LOS GATOS, CA	[REDACTED]	1519	15	
LOS GATOS, CA	[REDACTED]	2144	7	

** DATE OF CALLS: 03/06/86

ASPEN, CO	[REDACTED]	649	3	2
-----------	------------	-----	---	---

** DATE OF CALLS: 03/07/86

NEW YORK, NY	[REDACTED]	1035	2	50
03/07/86	Israel	\$100,000		
	Ace	475,000		
	Hakim	28,000		
	[REDACTED]	10,000		

** DATE OF CALLS: 03/13/86

LOS GATOS, CA	[REDACTED]	706	5	
---------------	------------	-----	---	--

** DATE OF CALLS: 03/18/86

LOS GATOS, CA	[REDACTED]	425	8	
LOS GATOS, CA	[REDACTED]	737	4	
LOS GATOS, CA	[REDACTED]	723	8	
LOS GATOS, CA	[REDACTED]	637	5	

** DATE OF CALLS: 03/20/86

MCLEAN, VA	[REDACTED]	1144	3	
MCLEAN, VA	[REDACTED]	1127	10	
03/20/86	-----			

** DATE OF CALLS: 03/21/86

MCLEAN, VA	[REDACTED]	1011	3	
MCLEAN, VA	[REDACTED]	913	1	
MCLEAN, VA	[REDACTED]	1141	4	
MCLEAN, VA	[REDACTED]	1130	2	
03/21/86	Southern Air	\$ 71,000		
	Ace	29,000		

** DATE OF CALLS: 03/24/86

MCLEAN, VA	[REDACTED]	1224	3	
MCLEAN, VA	[REDACTED]	946	4	
MCLEAN, VA	[REDACTED]	1044	6	
03/24/86	Quintero	\$ 10,000		

** DATE OF CALLS: 03/25/86

MCLEAN, VA	[REDACTED]	830	3	
MCLEAN, VA	[REDACTED]	1443	2	W2
03/25/86	-----			

** DATE OF CALLS: 03/26/86

UNCLASSIFIED

UNCLASSIFIED

IN

0001

City. -- MCLEAN, VA [REDACTED] 857 7 CSF
 - Search - MCLEAN, VA [REDACTED] 927 11
 MCLEAN, VA [REDACTED] 118 2
 03/26/86. -----

City. ** DATE OF CALLS: 03/27/86
 MCLEAN, VA [REDACTED] 1050 1
 MCLEAN, VA [REDACTED] 830 4 WZ
 MCLEAN, VA [REDACTED] 827 3
 MCLEAN, VA [REDACTED] 1046 2
 03/27/86 -----

City. ** DATE OF CALLS: 03/31/86
 MCLEAN, VA [REDACTED] 1212 4 WZ
 MCLEAN, VA [REDACTED] 1219 4

City. ** DATE OF CALLS: 04/01/86
 LOS GATOS, CA [REDACTED] 528 3 CSF
 LOS GATOS, CA [REDACTED] 620 3
 LOS GATOS, CA [REDACTED] 658 1
 LOS GATOS, CA [REDACTED] 45 3
 04/01/86 -----

** DATE OF CALLS: 04/02/86
 LOS GATOS, CA [REDACTED] 544 1
 LOS GATOS, CA [REDACTED] 557 2

City. ** DATE OF CALLS: 04/03/86
 LOS GATOS, CA [REDACTED] 532 7
 04/03/86 Southern Air \$400,000
 Quintero 28,000

** DATE OF CALLS: 04/04/86
 LOS GATOS, CA [REDACTED] 823 10

** DATE OF CALLS: 04/07/86
 LOS GATOS, CA [REDACTED] 755 13
 LOS GATOS, CA [REDACTED] 403 3
 04/07/86 Portugal Arms \$ 93,120

** DATE OF CALLS: 04/08/86
 LOS GATOS, CA [REDACTED] 1120 4 WZ
 LOS GATOS, CA [REDACTED] 1212 1
 LOS GATOS, CA [REDACTED] 1314 2
 LOS GATOS, CA [REDACTED] 1006 1 CSF
 04/08/86 -----

** DATE OF CALLS: 04/09/86
 LOS GATOS, CA [REDACTED] 638 2
 LOS GATOS, CA [REDACTED] 626 9
 04/09/86 Portugal Arms \$136,137

City. ** DATE OF CALLS: 04/11/86
 - MCLEAN, VA [REDACTED] 1109 8

UNCLASSIFIED

UNCLASSIFIED

M

0007

04/11/86 -----

** DATE OF CALLS: 04/14/86

see file - SHALIMAR, FL [REDACTED] 959 1 CSF
 04/14/86 East Inc. \$ 30,000(?)
 Southern Air 150,000

** DATE OF CALLS: 04/15/86

city - MCLEAN, VA [REDACTED] 1542 4 HI
 SHALIMAR, FL [REDACTED] 630 7 CSF
 04/15/86 IC Deposit \$ 47,974
 IBC Deposit 649,853

** DATE OF CALLS: 04/16/86

city - MCLEAN, VA [REDACTED] 1102 22
 04/16/86 Director \$ 2,673
 Hakim 3,000
 Hakim 72,580
 Director Fees 2,750
 East Inc. 100,357
 Shapp Green & Langford 294
 Southern Air 200,000
 Hakim 15,000
 Frebourg (?) 161,000
 Ace 57,022
 Aero Contractors (?) 19,635

** DATE OF CALLS: 04/29/86

city - MCLEAN, VA [REDACTED] 1003 2
 MCLEAN, VA [REDACTED] 952 4
 04/29/86 Quintero, R \$ 5,000

** DATE OF CALLS: 05/02/86

city - MCLEAN, VA [REDACTED] 1051 2
 05/02/86 Hakim \$ 943

** DATE OF CALLS: 05/08/86

city - SALT LAKE, UT [REDACTED] 1230 2 3

** DATE OF CALLS: 05/09/86

LOS GATOS, CA [REDACTED] 1211 14 CSF
 LOS GATOS, CA [REDACTED] 728 6
 LOS GATOS, CA [REDACTED] 626 12
 LOS GATOS, CA [REDACTED] 501 14
 05/09/86 Travel \$ 2,793

** DATE OF CALLS: 05/13/86

city - MCLEAN, VA [REDACTED] 1142 9
 05/13/86 -----

** DATE OF CALLS: 05/14/86

city - MCLEAN, VA [REDACTED] 1352 1 liquid
 MCLEAN, VA [REDACTED] 1348 2 CSF
 city - MCLEAN, VA [REDACTED] 1352 1 large

212 UNCLASSIFIED

UNCLASSIFIED

T M

0002

05/14/86 Funds from Kashoggi \$10,000,000
 TDB Codelis (?) 101,500
 Basiners (?) 2,778
 DEA 30,150
 CIA 6,500,000

** DATE OF CALLS: 05/15/86

stg.	MCLEAN, VA	[REDACTED]	1617	6	HC
	MCLEAN, VA	[REDACTED]	1156	1	
	MCLEAN, VA	[REDACTED]	1241	5	
	MCLEAN, VA	[REDACTED]	1234	1	
mkd	MCLEAN, VA	[REDACTED]	1218	2	
	MCLEAN, VA	[REDACTED]	1157	3	
	MCLEAN, VA	[REDACTED]	1617	6	
stg.	MCLEAN, VA	[REDACTED]	1156	1	
	MCLEAN, VA	[REDACTED]	1241	5	
	MCLEAN, VA	[REDACTED]	1234	1	

** DATE OF CALLS: 05/16/86

unlistd	MCLEAN, VA	[REDACTED]	1259	1	
	MCLEAN, VA	[REDACTED]	1804	3	
	MCLEAN, VA	[REDACTED]	1304	2	
	MCLEAN, VA	[REDACTED]	901	1	CSF
	MCLEAN, VA	[REDACTED]	902	7	
stg.	MCLEAN, VA	[REDACTED]	1259	3	
	MCLEAN, VA	[REDACTED]	1804	3	HC

05/16/86 Kashoggi \$5,000,000
 Funds Tram.
 Israel 1,460,000
 Scitech (Tri Am. Arms) 150,000

** DATE OF CALLS: 05/17/86

unlistd	MCLEAN, VA	[REDACTED]	1852	1	Air Stud.
---------	------------	------------	------	---	-----------

** DATE OF CALLS: 05/19/86

stg.	MCLEAN, VA	[REDACTED]	955	5	
	MCLEAN, VA	[REDACTED]	955	5	

** DATE OF CALLS: 05/20/86

stg.	MCLEAN, VA	[REDACTED]	1321	6	
	MCLEAN, VA	[REDACTED]	1323	1	
mkd	MCLEAN, VA	[REDACTED]	1014	6	
	MCLEAN, VA	[REDACTED]	1217	6	
	MCLEAN, VA	[REDACTED]	1239	1	

** DATE OF CALLS: 05/21/86

stg.	MCLEAN, VA	[REDACTED]	900	3	Foreign
	MCLEAN, VA	[REDACTED]	856	2	
	MCLEAN, VA	[REDACTED]	900	3	
	MCLEAN, VA	[REDACTED]	856	2	

** DATE OF CALLS: 05/28/86

stg.	MCLEAN, VA	[REDACTED]	1628	4	HC
	MCLEAN, VA	[REDACTED]	1628	4	

UNCLASSIFIED

UNCLASSIFIED

EN

0031

179
 ** DATE OF CALLS: 05/29/86

MCLEAN, VA	[REDACTED]	936	1	HC
MCLEAN, VA	[REDACTED]	924	2	}
MCLEAN, VA	[REDACTED]	936	1	
MCLEAN, VA	[REDACTED]	924	5	

** DATE OF CALLS: 05/30/86

MCLEAN, VA	[REDACTED]	945	7	
------------	------------	-----	---	--

270
 ** DATE OF CALLS: 06/01/86

MCLEAN, VA	[REDACTED]	656	2	WZ
------------	------------	-----	---	----

** DATE OF CALLS: 06/02/86

MCLEAN, VA	[REDACTED]	842	3	CF
06/02/86	Capital Hakim	\$ 79,167		
	CTEA	79,167		
	Bus.	1,000		
	Capital Koul (?)	79,167		
	Scitech	26,390		

** DATE OF CALLS: 06/08/86

LOS GATOS, CA	[REDACTED]	739	7	HC
---------------	------------	-----	---	----

** DATE OF CALLS: 06/09/86

LOS GATOS, CA	[REDACTED]	530	10	CF
06/09/86	-----			

1800 Planner
 ** DATE OF CALLS: 06/12/86

MCLEAN, VA	[REDACTED]	1252	3	WZ
------------	------------	------	---	----

270
 ** DATE OF CALLS: 06/13/86

MCLEAN, VA	[REDACTED]	1114	3	HC
MCLEAN, VA	[REDACTED]	1457	8	}
MCLEAN, VA	[REDACTED]	1457	8	
MCLEAN, VA	[REDACTED]	1032	5	
LOS GATOS, CA	[REDACTED]	1946	34	

** DATE OF CALLS: 06/14/86

LOS GATOS, CA	[REDACTED]	1308	14	
---------------	------------	------	----	--

1800 Planner
 ** DATE OF CALLS: 06/15/86

MIDDLEBURG, VA	[REDACTED]	1337	2	}
LOS GATOS, CA	[REDACTED]	1249	31	
LOS GATOS, CA	[REDACTED]	1045	3	

1800 Planner
 ** DATE OF CALLS: 06/16/86

PAWLEYS ISLAND, SC	[REDACTED]	1144	3	}
MCLEAN, VA	[REDACTED]	1345	1	
MCLEAN, VA	[REDACTED]	1649	5	
MCLEAN, VA	[REDACTED]	1351	2	
MCLEAN, VA	[REDACTED]	1345	1	
LOS GATOS, CA	[REDACTED]	1315	5	

UNCLASSIFIED

UNCLASSIFIED

FN

0005

LOS GATOS, CA [REDACTED] 1025 19 HC
 LOS GATOS, CA [REDACTED] 734 2

** DATE OF CALLS: 06/17/86

MCLEAN, VA [REDACTED] 1651 2
 MCLEAN, VA [REDACTED] 1516 2
 MCLEAN, VA [REDACTED] 1655 1
 LOS GATOS, CA [REDACTED] 2104 11
 LOS GATOS, CA [REDACTED] 1436 22

** DATE OF CALLS: 06/19/86

Planner - MCLEAN, VA [REDACTED] 1546 3 WZ

** DATE OF CALLS: 06/20/86

Sitji - MCLEAN, VA [REDACTED] 841 16 CSF

06/20/86 Korel \$ 11,183
 Al Kassar 500,000
 Hakim 11,183
 CTEA 11,183
 Scitech 3,728

** DATE OF CALLS: 06/22/86

Planner - MCLEAN, VA [REDACTED] 1229 4

06/22/86 -----

** DATE OF CALLS: 06/24/86

Sitji - MCLEAN, VA [REDACTED] 937 6

06/24/86 -----

** DATE OF CALLS: 06/25/86

STTG1 - MCLEAN, VA [REDACTED] 1045 3

MCLEAN, VA [REDACTED] 1056 3

06/25/86 -----

** DATE OF CALLS: 06/26/86

Planner - MCLEAN, VA [REDACTED] 1009 4

06/26/86 Chartering Service \$ 6,425

** DATE OF CALLS: 06/27/86

DULLES, VA [REDACTED] 611 11

06/27/86 Corporate Air Ser. \$ 58,000

** DATE OF CALLS: 06/30/86

LOS GATOS, CA [REDACTED] 513 4

LOS GATOS, CA [REDACTED] 747 2

LOS GATOS, CA [REDACTED] 834 19

06/30/86 Chartering \$ 3,454

[REDACTED] 7,000

Quintero 5,000

Scitech 30,000

** DATE OF CALLS: 07/01/86

LOS GATOS, CA [REDACTED] 739 4

07/01/86 Zucker \$ 1,000

UNCLASSIFIED

UNCLASSIFIED

Southern Air 200,000
Portugal Arms 845,000

**** DATE OF CALLS: 07/08/86**
 MCLEAN, VA [REDACTED] 1111 11
 MCLEAN, VA [REDACTED] 1044 13
 07/08/86 Ship Expense \$ 15,500
 Capt. Arne 3,125
 Currency Exchange 2,778

**** DATE OF CALLS: 07/10/86**
 MCLEAN, VA [REDACTED] 907 1
 MCLEAN, VA [REDACTED] 907 1
 MCLEAN, VA [REDACTED] 1135 2
 07/10/86 Ship \$ 5,000
 Crew 5,900
 Captain 6,250

**** DATE OF CALLS: 07/15/86**
 MCLEAN, VA [REDACTED] 1140 6
 07/15/86 Insurance \$ 70,000
 Portugal Arms 881,987
 Chartering 5,430
 Aero Contractors Ltd. 45,392

**** DATE OF CALLS: 07/18/86**
 MCLEAN, VA [REDACTED] 1024 13
 07/18/86 C-123 Ward Purchase \$125,000
 C-123 Hansen (?) 125,000
 Cash Withdrawal 310,000

**** DATE OF CALLS: 07/29/86**
 LOS GATOS, CA [REDACTED] 853 8
 07/29/86 Zucker \$ 1,000
 Montero 16,204
 Compania (?) 3,993
 Lilac McHose, Chas (?) 4,896
 Lankarani Tila (?) 8,000

**** DATE OF CALLS: 08/28/86**
 ATLANTA, GA [REDACTED] 1810 5

**** DATE OF CALLS: 08/29/86**
 LOS GATOS, CA [REDACTED] 2335 5
 LOS GATOS, CA [REDACTED] 725 1
 08/29/86 TDB Cordelis (?) \$ 51,000

**** DATE OF CALLS: 09/02/86**
 LOS GATOS, CA [REDACTED] 627 1
 09/02/86 Corp. Air Services \$ 62,018

**** DATE OF CALLS: 09/06/86**
 LOS GATOS, CA [REDACTED] 927 3
 LOS GATOS, CA [REDACTED] 700 27

UNCLASSIFIED

UNCLASSIFIED

EN

0007

09/06/86 Cruz \$ 7,000

** DATE OF CALLS: 09/08/86

LOS GATOS, CA [REDACTED] 747 3 CSF
09/08/86 [REDACTED] \$ 10,000

** DATE OF CALLS: 09/10/86

LOS GATOS, CA [REDACTED] 641 3
09/10/86 Southern Air Trans. \$ 50,000

** DATE OF CALLS: 09/13/86

LOS GATOS, CA [REDACTED] 839 4 WZ

** DATE OF CALLS: 09/16/86

- INDIAN, MS [REDACTED] 625 6 CSF
09/16/86 Tom Clines \$ 2,000

** DATE OF CALLS: 09/17/86

- FALLS CHURCH, VA [REDACTED] 1841 2 Aero

- MCLEAN, VA [REDACTED] 1008 11 Brad Am

** DATE OF CALLS: 09/18/86

MCLEAN, VA [REDACTED] 1438 18 Aero
MCLEAN, VA [REDACTED] 1018 3 "

** DATE OF CALLS: 09/19/86

MCLEAN, VA [REDACTED] 1431 1
- FALLS CHURCH, VA [REDACTED] 2152 5 HC

** DATE OF CALLS: 09/20/86

- MCLEAN, VA [REDACTED] 1107 5
- MCLEAN, VA [REDACTED] 1540 3 WZ

** DATE OF CALLS: 09/21/86

- FALLS CHURCH, VA [REDACTED] 705 4 "

** DATE OF CALLS: 09/22/86

MCLEAN, VA [REDACTED] 1002 3 CSF

MCLEAN, VA [REDACTED] 1028 1 "

PHILADELPHIA, PA [REDACTED] 1521 3 WZ

09/22/86 Quintero \$ 10,000
Tom Clines 5,000
Income CIA 1,200,000

** DATE OF CALLS: 09/23/86

NEW YORK, NY [REDACTED] 100 20 HC

** DATE OF CALLS: 09/24/86

- MCLEAN, VA [REDACTED] 1118 2 "

- NEW YORK, NY [REDACTED] 557 3 CSF

- NEW YORK, NY [REDACTED] 1505 4 HC

UNCLASSIFIED

UNCLASSIFIED

N

0002

09/24/86 East Inc. \$ 14,449

** DATE OF CALLS: 09/25/86

NEW YORK, NY [REDACTED] 935 5 HC
 NEW YORK, NY [REDACTED] 14 6

** DATE OF CALLS: 10/01/86

FALLS CHURCH, [REDACTED] 1339 11 WZ
 VA [REDACTED]

** DATE OF CALLS: 10/02/86

FALLS CHURCH, [REDACTED] 922 8 CSF
 VA [REDACTED]

10/02/86 Quintero \$ 5,000

** DATE OF CALLS: 10/03/86

MCLEAN, VA [REDACTED] 826 7
 MCLEAN, VA [REDACTED] 811 1

10/03/86 STTGI \$ 25,000
 Hakim 250,000

** DATE OF CALLS: 10/04/86

QUEENS, NY [REDACTED] 1801 1 HC
 DULLES, VA [REDACTED] 1540 2

** DATE OF CALLS: 10/16/86

MCLEAN, VA [REDACTED] 1130 2 CSF
 10/16/86 -----

** DATE OF CALLS: 10/17/86

MCLEAN, VA [REDACTED] 1417 6
 10/17/86 Air Meno Egtan (?) \$251,000

** DATE OF CALLS: 10/18/86

MCLEAN, VA [REDACTED] 1015 7 WZ

** DATE OF CALLS: 10/22/86

MCLEAN, VA [REDACTED] 1412 6 HC

** DATE OF CALLS: 10/27/86

MCLEAN, VA [REDACTED] 926 1

** DATE OF CALLS: 10/28/86

MCLEAN, VA [REDACTED] 1629 3

** DATE OF CALLS: 11/05/86

MCLEAN, VA [REDACTED] 0 3

MCLEAN, VA [REDACTED] 1260 3

LOS GATOS, CA [REDACTED] 2125 18

LOS GATOS, CA [REDACTED] 1012 9

** DATE OF CALLS: 11/06/86

MCLEAN, VA [REDACTED] 1453 2

MCLEAN, VA [REDACTED] 936 3

LOS GATOS, CA [REDACTED] 842 1

UNCLASSIFIED

EN

0319

unlisted
 LOS GATOS, CA
 LOS GATOS, CA

2004 7
 1543 1

** DATE OF CALLS: 11/07/86

city
 MCLEAN, VA

1223 7

MCLEAN, VA

1151 2

MCLEAN, VA

906 11

unlisted
 LOS GATOS, CA

854 1

LOS GATOS, CA

855 1

LOS GATOS, CA

2130 1

LOS GATOS, CA

2131 34

unlisted
 ** DATE OF CALLS: 11/08/86

BEVERLY HILLS, CA

1141 5

BEVERLY HILLS, CA

2253 3

unlisted
 ** DATE OF CALLS: 11/09/86

BEVERLY HILLS, CA

105 6

unlisted
 LOS GATOS, CA

1831 1

unlisted
 LOS GATOS, CA

2231 5

unlisted
 BEVERLY HILLS, CA

212 1

BEVERLY HILLS, CA

923 5

unlisted
 CA

INGLEWOOD, CA

1450 3

city
 ** DATE OF CALLS: 11/10/86

unlisted
 MCLEAN, VA

942 9

unlisted
 MCLEAN, VA

1001 10

unlisted
 LOS GATOS, CA

950 4

unlisted
 LOS GATOS, CA

1950 19

SECOND
 ** DATE OF CALLS: 11/12/86

MCLEAN, VA

713 1

LOS GATOS, CA

2345 2

11/12/86

CTEA

\$ 30,000

Hesup (?)

7,100

Forways

260,000

** DATE OF CALLS: 11/20/86

LOS GATOS, CA

2158 19

11/20/86

Stanford Technology \$ 25,000

** DATE OF CALLS: 11/25/86

LOS GATOS, CA

1015 7

11/25/86

Hakim, Lilac, McHoses

868

Scitech

50,000

** DATE OF CALLS: 11/26/86

LOS GATOS, CA

736 2

11/26/86

Shea & Gardiner

\$ 6,216

UNCLASSIFIED

UNCLASSIFIED

EN

007

<i>unlisted</i>	** DATE OF CALLS: 12/01/86			
	- WASHINGTON, DC	[REDACTED]	1506	18 HI
	** DATE OF CALLS: 12/02/86			
<i>unlisted</i>	- MCLEAN, VA	[REDACTED]	1205	2 HI
<i>unlisted</i>	- FALLS CHURCH, VA	[REDACTED]	1548	2
<i>unlisted</i>	- VIENNA, VA	[REDACTED]	1318	9 HI
<i>unlisted</i>	- FALLS CHURCH, VA	[REDACTED]	1546	1
	** DATE OF CALLS: 12/03/86			
<i>Record</i>	- MCLEAN, VA	[REDACTED]	953	9 HI
<i>Record</i>	- MCLEAN, VA	[REDACTED]	1842	4 HI
<i>unlisted</i>	- LOS GATOS, CA	[REDACTED]	631	14
<i>Sttg.</i>	- MCLEAN, VA	[REDACTED]	1231	2 HI
	** DATE OF CALLS: 12/04/86			
<i>Record</i>	- MCLEAN, VA	[REDACTED]	1610	1 HI
	- MCLEAN, VA	[REDACTED]	1424	2
	- MCLEAN, VA	[REDACTED]	1848	2
	** DATE OF CALLS: 12/05/86			
<i>Sttg.</i>	- MCLEAN, VA	[REDACTED]	1059	3
	- MCLEAN, VA	[REDACTED]	1102	3 CSF
	** DATE OF CALLS: 12/08/86			
<i>unlisted</i>	- MCLEAN, VA	[REDACTED]	1355	1 HI
	- MCLEAN, VA	[REDACTED]	1355	1
	- MCLEAN, VA	[REDACTED]	1738	10
	** DATE OF CALLS: 12/10/86			
<i>Sttg.</i>	- MCLEAN, VA	[REDACTED]	1620	1
	** DATE OF CALLS: 12/11/86			
<i>unlisted</i>	- MCLEAN, VA	[REDACTED]	1146	1 <i>Long</i>
	- DULLES, VA	[REDACTED]	1734	15 <i>it</i>
	** DATE OF CALLS: 12/12/86			
<i>in</i>	- FT. WASHINGTON BEACH, FL	[REDACTED]	7	5
	** DATE OF CALLS: 12/24/86			
<i>unlisted</i>	- MIDDLEBURG, VA	[REDACTED]	1144	11
	- MCLEAN, VA	[REDACTED]	1646	20
	** DATE OF CALLS: 12/27/86			
	- MONTROSS, VA	[REDACTED]	0	2
	** DATE OF CALLS: 12/29/86			
<i>unlisted</i>	- GREENBURG, PA	[REDACTED]	1843	16
<i>unlisted</i>	- LATROBE, PA	[REDACTED]	1639	3
<i>unlisted</i>	- LATROBE, PA	[REDACTED]	1643	3

UNCLASSIFIED

UNCLASSIFIED

EN

0091

- GREENBURG, PA Q128366060 412234609D

1737 3

HI

** DATE OF CALLS: 12/30/86

- MCLEAN, VA

2118 4

LEESBURG, VA

833 1

- MCLEAN, VA

1659 6

** DATE OF CALLS: 01/03/87

- MCLEAN, VA

1057 7

CSF

** DATE OF CALLS: 01/08/87

LOS GATOS, CA

812 2

LOS GATOS, CA

320 2

** DATE OF CALLS: 01/13/87

LOS GATOS, CA

703 10

MCLEAN, VA

1523 1

MCLEAN, VA

1044 2

MCLEAN, VA

1459 2

LOS GATOS, CA

1418 5

LOS GATOS, CA

1423 13

Hotel Common

** DATE OF CALLS: 01/14/87

- MCLEAN, VA

1649 2

- MCLEAN, VA

1753 1

LOS GATOS, CA

533 2

LOS GATOS, CA

447 1

LOS GATOS, CA

636 5

LOS GATOS, CA

3 4

LOS GATOS, CA

433 2

- MCLEAN, VA

1544 1

Hotel Common

** DATE OF CALLS: 01/15/87

LOS GATOS, CA

718 2

LOS GATOS, CA

416 2

LOS GATOS, CA

655 3

CSF

** DATE OF CALLS: 01/18/87

LOS GATOS, CA

742 13

WE

** DATE OF CALLS: 01/22/87

MCLEAN, VA

1531 4

H.E.

** DATE OF CALLS: 01/23/87

MCLEAN, VA

971 8

MCLEAN, VA

1420 1

MCLEAN, VA

1709 1

** DATE OF CALLS: 01/25/87

- NEW YORK, NY

833 2

NG

** DATE OF CALLS: 01/30/87

- MCLEAN, VA

1138 26

HC

UNCLASSIFIED

UNCLASSIFIED

EN

0092

several
times

** DATE OF CALLS: 02/01/87
MCLEAN, VA;

[REDACTED]

1139 18

Hotel Conn

Sittje

** DATE OF CALLS: 02/03/87
- MCLEAN, VA

[REDACTED]

1647 1

unlisted

** DATE OF CALLS: 02/04/87
- MCLEAN, VA

[REDACTED]

819 33

in-laws
store

** DATE OF CALLS: 02/08/87
DECATUR, IL

[REDACTED]

41 20

new
one

** DATE OF CALLS: 12/01/87
MCLEAN, VA
MCLEAN, VA

[REDACTED]

846 1
936 3

*CSF
HI*

UNCLASSIFIED

CLASSIFIED AT TIME OF PUBLICATION.

22-9

CLASSIFIED AT TIME OF PUBLICATION.

22-10

86 12 10 PAGE 1

1 01 84 TO 4 12 86

TOTAL BALANCE FROM

BALANCE

CURRENCY

US\$

DEBIT

CREDIT

TOTAL BALANCE FROM

BALANCE

INITIAL BALANCE FROM BALANCE CURRENCY US\$

Choy-ee 22

Footnote: 10

4999 D E F E X

A/C DESCRIPTION

957

5	==	CAPITAL INVESTED	US\$						
5600001		CAPITAL INVESTED	US\$	113 427.63	9 785 611.01	9 672 183.38-		9 672 183.38-	
		TOTAL GROUP		113 427.63	9 785 611.01	9 672 183.38-		9 672 183.38-	

6		P/L . NET BALANCE (1-5)	US\$						
		CHARGES	US\$						

600101		ALBERT HAKIM	US\$	6 883 403.87	50 000.00	6 833 403.87		6 833 403.87	
600201		KOREL ASSETS	US\$	1 076 914.68	34 122.31	1 042 792.37		1 042 792.37	
600301		C. TEA	US\$	1 017 308.46	27 305.32	990 003.14		990 003.14	
00401		SCITECH	US\$	607 984.00	2 000.00	605 984.00		605 984.00	
00501		BUTTON	US\$	200 000.00	0.00	200 000.00		200 000.00	
		TOTAL GROUP		9 785 611.01	113 427.63	9 672 183.38		9 672 183.38	

FROM 01 01 84 TO 04 12 86

D. F. L. X
LEDGER

A/C NAME & DESCRIPTION
50

DOC NO CONTRA

DEBIT

CREDIT

BALANCE

		US\$		US\$		
5	***** CAPITAL INVESTED					
5600001	***** CAPITAL INVESTED					
18	2 CASH WITHDRAWAL	600101	5 000.00			5 000.00-
20	2 CASH WITHDRAWAL	600201	22 000.00			27 000.00-
25	2 CASH DEPOSIT	600301	13 000.00			42 000.00-
16	4 TR TO LEE YUN	600101	3 000.00			45 000.00-
24	4 CHO K. PHILLIPS	600401	5 000.00			50 000.00-
10	6 TR TO BK OF KOREA	600101	5 000.00			55 000.00-
14	11 TR TO SCITECH	600401	67 340.00			122 340.00-
85						
7	2 TR TO KOREL	600201	165 000.00			287 340.00-
20	2 CASH WITHDRAWAL	600101	20 000.00			307 340.00-
20	3 CASH WITHDRAWAL	600101	3 000.00			310 340.00-
25	3 CASH WITHDRAWAL	600101	3 000.00			
25	3 TR TO KHALID RASHID	600201	37 817.00			345 157.00-
25	4 CASH WITHDRAWAL	600101	5 000.00			350 157.00-
7	4 TR TO BARCLAYS BANK CALIF.	600101	10 000.00			
3	4 CASH WITHDRAWAL	600201	7 000.00			
3	4 TR TO BANK OF AMERICA	600301	20 000.00			387 157.00-
9	4 TR TO BANK OF AMERICA	600101	12 000.00			399 157.00-
10	4 CHO TO J. GREEN	600201	13 920.00			444 937.00-
12	4 TR TO RUS	600201	101 726.78			
12	4 TR TO RUS	600201	18 256.00			665 219.78-
16	4 TR TO ALBERT HOKIM	600101	50 000.00			
16	4 TRANSFER FROM ENERGY	600301	20 000.00			735 219.78-
18	4 TR TO E. GOODING	600101	37 050.00			772 249.78-
19	4 ADVANCE FOR EXPENSES	600301	15 000.00			787 249.78-
29	4 CASH WITHDRAWAL	600101	7 000.00			794 249.78-
6	5 CASH WITHDRAWAL	600201	3 000.00			
9	5 CASH WITHDRAWAL	600301	5 000.00			802 249.78-
7	5 TR TO CS PARTS	600301	116 000.00			918 249.78-
17	5 TR TO 1ST AMERICAN BANK	600301	90 000.00			1 008 249.78-
21	5 TR TO CIE DE SERV FID RE LO	600101	250 000.00			1 258 249.78-

4999 D I T L X
LLGLLN

FROM 01 01 84 TO 04 12 86

86 12 10 PAGE 7

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5600001	CAPITAL INVESTED	(SUITE)			
24	5 PMT HOTEL INTERCON SFR 578	600101		224.12	1 258 473.90-
30	5 TR TO BK OF KOREA	600101		50 000.00	1 308 473.90-
7	6 TR TO A HAKIM	600101		30 000.00	1 338 473.90-
17	6 FUNDS RETURNED UNPAID	600101	50 000 00		1 288 473.90-
18	6 TR TO BK OF KOREA	600101		45 000.00	1 333 473.90-
3	CASH WITHDRAWAL	600101		420.17	
3	CASH WITHDRAWAL	600201		210.08	
3	7 TR TO 1ST AMERICAN BANK	600301		25 000.00	1 359 104.15-
5	7 TR TO AH THRU RMB	600101		20 050.00	1 379 154.15-
10	7 TR TO PHILLIPS	600401		4 000.00	1 383 154.15-
15	7 CASH WITHDRAWAL	600101		20 300.00	1 403 454.15-
16	7 CASH WITHDRAWAL	600101		2 500.00	
16	7 CASH WITHDRAWAL	600201		2 500.00	
16	7 WITHDRAWAL USA NOTES	600301		206 090.35	1 614 544.50-
19	7 CASH WITHDRAWAL	600201		7 000.00	1 621 544.50-
22	7 TR TO LOS GATOS	600101		75 000.00	1 696 544.50-
16	8 CASH WITHDRAWAL	600101		2 943.46	1 699 487.96-
28	8 CASH WITHDRAWAL	600101		10 000.00	
28	8 TRANSFER	600401		48 560.00	1 758 047.96-
3	9 CASH WITHDRAWAL	600101		7 000.00	1 765 047.96-
17	9 CASH WITHDRAWAL	600201		10 000.00	
17	9 CASH WITHDRAWAL . MSAQUDI	600201		2 000.00	1 777 047.96-
20	9 CHQ K. PHILLIPS	600401		2 000.00	
20	9 CHQ K. PHILLIPS	600401	0 00		
23	9 CASH WITHDRAWAL	600101		11 500.00	1 779 047.96-
23	9 CHQ KEUN SIK WUN	600101		9 500.00	
24	9 CASH WITHDRAWAL	600101		5 000.30	1 803 048.26-
1	10 CHQ K. PHILLIPS	600401		2 000.00	1 807 048.26-
4	10 CASH SOONI HAKIM	600101		1 500.00	1 808 548.26-
15	10 CASH WITHDRAWAL	600101		2 000.00	1 810 548.26-
23	10 CASH WITHDRAWAL	600201		9 000.00	1 819 548.26-
25	10 CHQ K. PHILLIPS	600401		2 000.00	1 821 548.26-
28	10 CASH WITHDRAWAL	600101		102 000.00	1 923 548.26-
7	11 CASH WITHDRAWAL SFR 2000 -	600101		943.40	1 924 491.66-
12	11 CASH WITHDRAWAL	600201		7 000.00	1 931 491.66-
14	11 TR TO CIE DE SERV FID RE AH	600101		43 030.00	1 974 521.66-

096 H

A/C	NAME & DESCRIPTION	DOC NO CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
5600001	CAPITAL INVESTED					
15 11	TR TO CIE DE SERV FID RE AH	600101			20 000.00	
15 11	CASH WITHDRAWAL	600101			25 000.00	2 019 521.66-
22 11	CASH WITHDRAWAL	600101			21 470.00	2 040 991.66-
25 11	CHQ K PHILLIPS	600401			2 000.00	2 042 991.66-
3 12	PMT VITA ZURICH SFR 19844.80	600101			9 529.32	
3 12	PMT VITA ZURICH SFR 8'332.-	600101			4 000.96	2 056 521.94-
16 12	CASH WITHDRAWAL SFR 5000.-	600101			2 384.63	2 058 908.57-
17 12	BAL OF ACCT PHASE I-II-III	600101			82 031.09	
17 12	PROFIT DISTRIBUTION PHASE IV	600101			106 800.00	
17 12	REF CHQ K PHILLIPS	600201			100 800.00	
17 12	PROFIT DISTRIBUTION PHASE IV	600301		2 000.00		
84					50 400.00	2 390 939.66-
21	1 TR TO HOWARD RICE	600101			20 000.00	
6	2 TR TO SCITECH	600401			105 000.00	2 510 939.66-
7	2 TR TO A HAKIM	600101			195 000.00	2 615 939.66-
13	2 CHQ TO A GREEN	600201			35 000.00	2 710 939.66-
18	2 CASH ADVANCE	600301			15 000.00	2 725 939.66-
19	2 CASH WITHDRAWAL	600101			1 351.42	2 727 291.08-
26	2 TRANSFER TO SHARRP GREEN & LANK FU	600301			1 670.50	2 728 961.58-
5	3 CSF INV AH/SUB A/C	600101		2 000 000.00		
18	3 CIE SERV FID CASH AH	600101			28 000.00	
16	4 TRANSFER	600101			50 000.00	4 806 961.58-
17	4 AH SFR 136734.90	600301			25 000.00	4 831 961.58-
17	4 CASH ALBERT HAKIM	600101			72 580.00	
17	4 CSF INV LTD	600101			3 000.00	
18	4 CSF REIMBT KHALID RASHID	600201			15 000.00	4 922 541.58-
22	4 REIMBT DEFEX	600301			4 890 724.58-	
28	4 CASH PASSPORT USA	600101			4 865 724.58-	
28	4 CSF CHQ RVS	600201			4 975.00	
2	5 TRANSFER	600101			28 111.00	4 898 810.58-
16	5 TR TO TAA	600301			2 274.80	4 901 085.38-
20	5 CIE SERV. FID AH	600101		51 817.00	150 000.00	5 051 085.38-
20	5 CSF RVS	600201		25 000.00	26 490.00	
20	5 CIE SERV FID SCITECH	600401			8 833.00	

196

H

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5600001	CAPITAL INVESTED					
20 5	CSF INV RE BUTTON	600501			200 000.00	
20 5	TRANSFER	600301			74 490.00	5 339 388.38-
21 5	CSF INV. AH SUB A/C 1	600101			10 000.00	
21 5	CASH WITHDRAWAL	600101			60 300.00	5 409 688.38-
22 5	CSF INV. RE SCITECH	600401			100 000.00	5 509 688.38-
23 5	CIE DE SERV FID RE AH	600101			500 000.00	6 009 688.38-
27 5	CASH	600101			10 000.00	6 019 688.38-
3 6	TR TO CSF INV RE AH	600101		79 147.00		
3 6	TR TO CSF INV RE SCITECH	600401		26 390.00		
3 6	TR TO CSF INV RE KOREL	600201		79 147.00		
3 6	TR TO CSF INV RE C. TEA	600301		79 167.00		6 283 579.38-
18 6	CSF A/C 111 CASH	600101		2 000 000.00		
20 6	TR TO DEFEF	600101		11 183.00		8 483 579.38-
20 6	TR TO DEFEF	600201		1 183.00		
20 6	TR TO DEFEF	600401		3 728.00		
20 6	TR TO DEFEF	600501		1 183.00		8 520 856.38-
1 7	5000 DM CHQ	600201		2 305.32		
1 7	RBT CHQ BUCHINGER PAT.	600201		2 305.31		8 525 467.01-
2 7	RBT CHQ BUCHINGER PAT.	600201		2 305.32		
7 7	CASH WITHDRAWAL	600301			10 000.00	8 520 856.38-
14 7	TRANSFER FROM DEFEF	600201			258 398.00	8 530 856.38-
27 8	TRANSFER FROM DEFEF	600201			258 398.00	
27 8	TRANSFER FROM DEFEF	600301			86 133.00	9 392 183.38-
3 10	REIMBURSEMENT CIE SERV. FID CASH	600101			250 000.00	9 642 183.38-
11 11	CSF INVEST. RE C. TEA	600301			30 000.00	9 672 183.38-

(SUITE)

962

H

115 427 65 9 785 611 01 9 672 183 38-

TRANSACT. & BALANCE

86 12 10 FINAL

4999 D E F E X
LEDGER

FROM 01 01 84 TO 04 12 86

A/C. NAME & DESCRIPTION

DOC NO CONTRA

BALANCE

CREDIT

DEBIT

963 H

FROM 01 01 84 TO 04 12 86

4999 D E F E X
LEDGER

A/C. NAME & DESCRIPTION

DOC. NO CONTRA

BALANCE

				DEBIT	CREDIT	BALANCE
6	***** CHARGES	US\$				
600101	***** ALBERT HAKIM	US\$				
18	2 CASH WITHDRAWAL	5600001		5 000.00		5 000.00
16	4 TR TO LEE YUN	5600001		3 000.00		8 000.00
10	6 TR TO BK OF KOREA	5600001		5 000.00		13 000.00
85						
20	2 CASH WITHDRAWAL	5600001		20 000.00		33 000.00
20	3 CASH WITHDRAWAL	5600001		3 000.00		3 000.00
23	3 CASH WITHDRAWAL	5600001		3 000.00		39 000.00
2	4 CASH WITHDRAWAL	5600001		5 000.00		44 000.00
3	4 TR TO BARCLAYS BANK CALIF	5600001		13 000.00		54 000.00
9	4 TR TO BANK OF AMERICA	5600001		12 800.00		66 800.00
16	4 TR TO ALBERT HAKIM	5600001		30 000.00		116 800.00
18	4 TR TO R GOODING	5600001		37 030.00		153 830.00
29	4 CASH WITHDRAWAL	5600001		3 000.00		160 830.00
4	5 CASH WITHDRAWAL	5600001		3 000.00		163 830.00
21	5 TR TO CIE DE SERV FID RE LO	5600001		230 000.00		413 830.00
21	5 PMT HOTEL INTERCON SFR 578	5600001		224.12		414 054.12
30	5 TR TO BK OF KOREA	5600001		50 000.00		464 054.12
17	6 FUNDS RETURNED UNPAID	5600001		30 000.00		494 054.12
18	6 TR TO BK OF KOREA	5600001		30 000.00	50 000.00	464 054.12
3	7 CASH WITHDRAWAL	5600001		45 000.00		489 054.12
7	7 TR TO AH THRU RNB	5600001		420.17		489 474.29
13	7 CASH WITHDRAWAL	5600001		20 050.00		509 524.29
22	7 TR TO LOS GATOS	5600001		20 300.00		529 824.29
22	7 TR TO LOS GATOS	5600001		2 500.00		532 324.29
16	8 CASH WITHDRAWAL	5600001		75 000.00		607 324.29
28	8 CASH WITHDRAWAL	5600001		2 943.46		610 267.75
9	9 CASH WITHDRAWAL	5600001		10 000.00		620 267.75
23	9 CASH WITHDRAWAL	5600001		7 000.00		627 267.75
23	9 CASH WITHDRAWAL	5600001		11 500.00		648 767.75
23	9 CHO KEUN SIK WON	5600001		9 500.00		658 267.75
24	9 CASH WITHDRAWAL	5600001		5 000.30		663 268.05

964

H

FROM 01 01 84 TO 04 12 86

4999 D.E.F.E.X
LEDGER

A/C.	NAME & DESCRIPTION	DOC NO	CONTINUA	(SUITE)	DEBIT	CREDIT	BALANCE
000101	ALBERT HAKIM						
4	CASH SOONI HAKIM	5600001			1 500.00		654 768.05
15	CASH WITHDRAWAL	5600001			2 000.00		656 768.05
28	CASH WITHDRAWAL	5600001			112 943.40		719 768.05
11	CASH WITHDRAWAL SFR 2000. -	5600001			45 040.00		799 711.45
11	TR TO CIE DE SERV FID RE AH	5600001			20 000.00		802 741.45
15	TR TO CIE DE SERV FID RE AH	5600001			25 000.00		847 741.45
11	CASH WITHDRAWAL	5600001			21 420.00		869 211.45
12	PMT VITA ZURICH SFR 19844.80	5600001			4 000.96		882 741.73
12	PMT VITA ZURICH SFR 8'332. -	5600001			2 386.63		885 128.36
16	CASH WITHDRAWAL SFR 5000. -	5600001			82 031.09		
17	BAL OF ACCT PHASE I-11-11	5600001			100 800.00		1 067 959.45
17	PROFIT DISTRIBUTION PHASE IV	5600001					
86							
21	TR TO HOWARD RICE	5600001			20 000.00		1 087 959.45
2	TR TO A HAKIM	5600001			165 000.00		1 252 959.45
2	CASH WITHDRAWAL	5600001			1 351.42		1 254 310.87
3	CSF INV. AH/SUB A/C	5600001			2 000 000.00		3 254 310.87
3	CIE SERV FID CASH AH	5600001			28 000.00		
3	CSF INV. CASH AH	5600001			50 000.00		3 332 310.87
3	SFR 14,719.90	5600001			72 580.00		
4	CSF ALBERT HAKIM	5600001			3 000.00		
4	CSF INV. TO	5600001			15 000.00		3 422 890.87
4	CASH PASSPORT USA	5600001			4 975.00		3 427 865.87
4	CIE SERV. FID AH	5600001			26 490.00		3 454 355.87
5	CIE SERV. AH SUB A/C 1	5600001			10 000.00		
5	CSF INV. AH SUB A/C 1	5600001			600 300.00		3 524 655.87
5	CASH WITHDRAWAL	5600001			500 000.00		4 024 655.87
5	CIE DE SERV FID RE AH	5600001			10 000.00		4 034 655.87
5	CASH	5600001			79 167.00		4 113 822.87
3	TR TO CSF INV. RE AH	5600001			2 000 000.00		
6	CSF A/C III CASH	5600001			200 000.00		6 313 822.87
6	CSF A/C III CASH	5600001			11 183.00		6 345 005.87
6	TR TO DEFEX	5600001			256 398.00		6 583 403.87
8	TRANSFER FROM DEFEX	5600001			250 000.00		6 833 403.87
3	REIMBURSEMENT CIE SERV. FID. CASH	5600001					

86 12 10 17MUL

DEBIT	CREDIT	BALANCE
-----	-----	-----
6 853 403 87	50 000.00	6 853 403 87

FROM 01 01 84 TO 04 12 86
 DUC NO CONTRA
 (SUITE)

4999 D I L L X
 LLUGER
 A/C. NAME & DESCRIPTION
 000101 ALBERT HAKIM
 TRANSACT. & BALANCE

996 H

86 12 10 1964

1100M 01 01 84 10 04 12 86

67777 D I F E X
LUGUER

A/C	NAME & DESCRIPTION	DIAL NO CONTRA	US\$	DEBIT	CREDIT	BALANCE
600201	***** KOREL ASSETS					
20	CASH WITHDRAWAL		36000001	22 000.00		22 000.00
85						
7	TR TO KOREL		56050001	165 000.00		187 000.00
25	TR TO KHALID RASHID		56000001	31 817.00		218 817.00
3	CASH WITHDRAWAL		56000001	7 000.00		225 817.00
10	CHQ TO T. GREEN		56000001	45 000.00		270 817.00
12	TR TO RUS		56000001	101 526.76		
4	TR TO RUS		56000001	110 356.00		491 076.78
12			56000001	5 000.00		496 076.78
5	CASH WITHDRAWAL		56000001	210.08		496 286.86
3	CASH WITHDRAWAL		56000001	2 000.00		498 286.86
7	CASH WITHDRAWAL		56000001	2 000.00		500 286.86
10	CASH WITHDRAWAL		56000001	10 000.00		510 286.86
17	CASH WITHDRAWAL		56000001	2 000.00		512 286.86
23	CASH WITHDRAWAL		56000001	9 000.00		521 286.86
12	CASH WITHDRAWAL		56000001	7 000.00		528 286.86
17	PROFIT DISTRIBUTION PHASE IV		56000001	100 800.00		505 789.86
86						
13	CHQ TO A. GREEN		56000001	35 000.00		469 589.86
26	TRANSFER TO SHARP GREEN & LANK FD		56000001	1 670.50		471 260.36
18	CSF RELIAB AHMAD RASHID		56000001		31 817.00	439 443.36
28	CSF CHQ RUS		56000001	28 111.00		411 332.36
5	CSF RUS		56000001	76 490.00		334 842.36
20	TR TO CSF INV. RE KOREL		56000001	70 497.00		264 345.36
1	TR TO DEFEX		56000001	11 183.00		253 162.36
2	5000 DM CHQ		56000001	2 305.32		250 857.04
1	TR CHQ BUCHINGER PAT		56000001		2 305.31	248 551.73
2	TR CHQ BUCHINGER PAT		56000001	238 398.00		10 153.73
27	TRANSFER FROM DEFEX		56000001			10 153.73
31						
TRANSACT. & BALANCE				34 122.31	1 042 792.37	

49799 U. L. F. L. X
LEADER

W/C. NAME & DESCRIPTION

896

000000 C. TLA

US\$

DOC NO CONTRA

25 2 CASH DEPOSIT
 86 4 TRANSFER FROM ENERGY
 13 4 TRANSFER FROM ENERGY
 16 4 TRANSFER FROM ENERGY
 19 4 ADVANCE FOR EXPENSES
 17 5 TR TO CS. PARIS
 17 5 TR TO 1ST AMERICAN BANK
 3 7 TR TO 1ST AMERICAN BANK
 3 7 WITHDRAWAL US\$ NOTES
 19 12 PROFIT DISTRIBUTION PHASE IV
 86 2 CASH ADVANCE
 18 4 TRANSFER
 14 4 REIMBT DEFEX
 22 5 TRANSFER
 20 5 TRANSFER
 3 6 TR TO CSF INV RE C. TEA
 20 6 TR TO DEFEX
 1 7 5000 DR CIA
 2 7 RBT CHG BUCKINGER PAT.
 14 7 CASH WITHDRAWAL
 27 8 TRANSFER FROM DEFEX
 11 11 CSF INVEST. RE C. TEA

00 16 14

BALANCE

CREDIT

DEBIT

DEBIT	CREDIT	BALANCE
15 000.00		15 000.00
20 000.00		35 000.00
20 000.00		55 000.00
15 000.00		70 000.00
116 000.00		186 000.00
20 000.00		276 000.00
25 000.00		301 000.00
206 090.35		507 090.35
50 400.00		557 490.35
15 000.00		572 490.35
25 000.00		597 490.35
	25 000.00	572 490.35
	2 276.80	574 765.15
	26 490.00	601 255.15
	79 167.00	680 422.15
	11 183.00	691 605.15
	2 305.31	693 910.46
	2 305.32	691 605.14
10 000.00		701 605.14
250 398.00		960 003.14
30 000.00		990 003.14
	27 305.32	990 003.14

TRANSACT. & BALANCE

1 017 308.46 27 305.32

4999 D I F E X

FROM 01 01 04 10 04 12 86

LLDGLR

A/C NAME & DESCRIPTION

DOC NO CONTRA

BALANCE

696

H

00001 ***** SCITECH

US\$

A/C NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
24 4 CHQ K PHILLIPS	5600001	5 000 00		5 000 00
14 11 TR TO SCITECH	5600001	67 340 00		72 340 00
05				
10 7 1K TO PHILLIPS	5600001	4 000 00		76 340 00
28 8 TRANSFER	5600001	48 560 00		124 900 00
20 9 CHQ K. PHILLIPS	5600001	2 000 00		126 900 00
20 9 CHQ K. PHILLIPS	5600001	0 00		126 900 00
1 10 CHQ K PHILLIPS	5600001	2 000 00		128 900 00
25 10 CHQ K. PHILLIPS	5600001	2 000 00		130 900 00
25 11 CHQ K. PHILLIPS	5600001	2 000 00		132 900 00
17 12 REF CHQ K PHILLIPS	5600001	2 000 00	2 000 00	130 900 00
06				
6 2 TR TO SCITECH	5600001	100 000 00		230 900 00
16 3 TR TO TAA	5600001	150 000 00		380 900 00
20 5 CIE SERV FID SCITECH	5600001	8 833 00		389 733 00
22 5 CSF INV RE SCITECH	5600001	100 000 00		489 733 00
3 6 TR TO CSF INV RE SCITECH	5600001	26 390 00		516 123 00
20 6 TR TO DEFEX	5600001	3 728 00		519 851 00
27 8 TRANSFER FROM DEFEX	5600001	86 133 00		605 984 00

TRANSACT & BALANCE

607 984 00

2 000 00

605 984 00

FROM 01 01 84 TO 04 12 86

DOC. NO CONTRA

970

4999 D E F X
LEDGER

A/C. NAME & DESCRIPTION

600501 ***** BUTTUN
20 5 CSF INV RE BUTTUN

US\$

5,000001

TRANSACTION & BALANCE

BALANCE

CREDIT

DEBIT

200 000 00

200 000 00

200 000 00

200 000 00

0.00

86 12 10 PINE 1

FROM 01 01 84 TO 04 12 86

4999 D E F E X

LEDGER

A/C. NAME & DESCRIPTION

DOC NO CONTRA

BALANCE

DEBIT CREDIT

9 899 038.64 9 899 038.64

971

GRAND TOTALS

U 00

H

H

CAPITAL INVESTED		US\$			
99001 D E F X		US\$	9 836 361.01	113 427.63	9 722 933.38
TOTAL GROUP			9 836 361.01	113 427.63	9 722 933.38

CASH ACCOUNTS		US\$			
00001 LAKE RES. - CREDIT SUISSE		US\$	37 242 567.57	37 241 393.19	1 174.38
02001 GULF MARKETING CONS.		US\$	13 698 476.63	13 697 982.03	494.60
03001 DOLBY BUSINESS		US\$	717 500.00	715 169.35	2 330.65
06001 ALBON VALUES		US\$	10 829 049.51	10 823 103.62	5 945.89
07001 TOYCO SA		US\$	6 342 520.35	6 341 716.79	803.56
08001 HYDE PARK SQUARE		US\$	32 959 173.84	32 942 746.84	16 427.00
08101 CALL DEPOSIT - HYDE PARK		US\$	12 400 000.00	11 200 000.00	1 200 000.00
10000 STANTECH SERVICES SA		SFR	50 000.00	17 728.20	32 271.80

BANK GUARANTEES		US\$			
00001 SERFID GUARANTEE		US\$	70 000.00	0.00	70 000.00
TOTAL BANK GUARANTEES			70 000.00	0.00	70 000.00

TOTAL GROUP			174 912 319.88	173 582 872.00	1 329 447.88
P/L. NET BALANCE (1-5)					1 314 072.30
					11 037 005.68

973

86.12.10 PAGE 2

03 ALBERT HAKIM
C. DESCRIPTION

CHARGE'S		DEBIT		CREDIT		TRIAL BALANCE FROM		BALANCE		CURRENCY	
*****		US\$		US\$		US\$		US\$		US\$	
30001	TRANSIT ACCOUNT	1 044,438.00		224,438.00	820,000.00		820,000.00				
30101	SOUTHERN AIR TRANSPORT	3 269,365.00		4 768.20	3 264,596.80		3 264,596.80				
30401	R. QUINTERO	229,218.26		0.00	229,218.26		229,218.26				
30501	AEROLEASING SA	226,999.96		0.00	226,999.96		226,999.96				
00601	S. B. S. - 67-666-BA	11 234,598.37		0.00	11 234,598.37		11 234,598.37				
00801	MALE AIRCRAFT	173,437.71		0.00	173,437.71		173,437.71				
00901	COMMERCIAL TULIN SA	155,000.00		0.00	155,000.00		155,000.00				
01001	AMALGAMATED COM. ENT.	4,689.45		0.00	4,689.45		4,689.45				
01101	JOSEPH HAMILTON	125,000.00		0.00	125,000.00		125,000.00				
01801	MONZER ALKASSAR	158,686.40		30,000.00	128,686.40		128,686.40				
01901	J. MONTERO	552,489.34		70,920.55	481,568.79		481,568.79				
02001	STTGI	2,636.00		0.00	2,636.00		2,636.00				
02101	ABDUL RAHMAN TINAY	200,000.00		0.00	200,000.00		200,000.00				
02401	ALPHA SERVICES	15,000.00		14,970.00	30.00		30.00				
02501	DENIS PONCE	127,700.00		0.00	127,700.00		127,700.00				
02601	SANTA LUCIA AIRWAYS	1,712,037.00		200,000.00	1,512,037.00		1,512,037.00				
02701	TRANSMORLD ARMS LTD.	67,444.69		1 069.43	66,375.26		66,375.26				
02901	TRANSMORLD HOLDING INC.	1 000.00		0.00	1 000.00		1 000.00				
03301	GAR INC.	503.00		0.00	503.00		503.00				
03501	J. BAGULTO	410.00		0.00	410.00		410.00				
03601	J. GIRAUD	657,806.63		0.00	657,806.63		657,806.63				
03701	EAST INC.	585,045.80		0.00	585,045.80		585,045.80				
03901	SHIP	110,318.75		0.00	110,318.75		110,318.75				
03903	SHIP INSURANCE - DM	1 494,063.60		0.00	1 494,063.60		1 494,063.60				
14101	ACE	732,250.00		0.00	732,250.00		732,250.00				
04201	D. B. & T. C. # 81053	59,500.00		0.00	59,500.00		59,500.00				
04301	ARTURO JOSE CARUZ PORRAS	110,000.00		0.00	110,000.00		110,000.00				
04401	GOULDENS CLIENTS ACCOUNT	100,000.00		0.00	100,000.00		100,000.00				
04501	MOTOROLA INC.	101,500.00		0.00	101,500.00		101,500.00				
04601	CODELIS	200,000.00		0.00	200,000.00		200,000.00				
04801	500816-JM-601 D	65,027.00		0.00	65,027.00		65,027.00				
05001	AERO CONTRACTORS LTD	31,500.00		0.00	31,500.00		31,500.00				
35101	BK OTSAR T. A. # 2303705-50			0.00							

US\$

H

03 ALBERT HAKIM 974

C. DESCRIPTION	DEBIT	CREDIT	TRIAL BALANCE FROM	CURRENCY	BALANCE
5201 CORPORATE AIR SERVICES	211 954.66	0.00	211 954.66	US\$	211 954.66
5301 TOM GREEN	95 000.00	0.00	95 000.00	US\$	95 000.00
5401 DAVCO ASSOCIATES	10 000.00	0.00	10 000.00	US\$	10 000.00
5501 COMPANIA DEL DESSAROLLO DE S.ELENA	3 993.00	0.00	3 993.00	US\$	3 993.00
5601 ED JANAY 15.09596.7	81 433.89	0.00	81 433.89	US\$	81 433.89
5701 FORWAY INDUSTRIES	310 000.00	0.00	310 000.00	US\$	310 000.00
5801 ACL	5 729.68	0.00	5 729.68	US\$	5 729.68
5901 HAEFELIN	2 037 000.00	0.00	2 037 000.00	US\$	2 037 000.00
6001 STANFORD TECHN CORP TDB GE	88 000.00	0.00	88 000.00	US\$	88 000.00
6101 SHEA AND GARDNER	20 000.00	0.00	20 000.00	US\$	20 000.00
6100 DOMICILIATION + DIRECTORS FEES	14 250.00	0.00	14 250.00	SFR	7 460.73
6201 BUSINESS EXPENSES	29 584.49	1 070.75	28 513.74	US\$	28 513.74
6301 TELEPHONE CHARGES	572 783.98	23 899.86	548 884.12	US\$	548 884.12
6400 BANK CHARGES	1 775.86	0.00	1 775.86	US\$	1 775.86
6401 BANK CHARGES	50.00	0.00	50.00	SFR	26.18
6403 BANK CHARGES	68 371.34	595.66	67 775.68	US\$	67 775.68
6501 MANAGEMENT FEES	5 879.61	0.00	5 879.61	DM	2 678.63
6500 PROF & LEGAL FEES	882.45	0.00	882.45	US\$	882.45
6601 PROF & LEGAL FEES	3 300.00	0.00	3 300.00	SFR	1 727.75
6600 TAXES	82 546.48	0.00	82 546.48	US\$	82 546.48
50000 TAXES	128.20	0.00	128.20	SFR	67.12
TOTAL GROUP	41 557 442.55	3 396 643.40	38 160 799.15		38 089 092.02

US\$

INCOME

3001 MONEY RECEIVED UNIDENTIFY	355 000.00	29 078 483.64	28 723 683.64	US\$	28 723 683.64
0201 U. B. S. FRIEDOURG	0.00	1 392 000.00	1 392 000.00	US\$	1 392 000.00
0301 ALBERT HAKIM	0.00	2 400.00	2 400.00	US\$	2 400.00
0401 SAM LOEW	0.00	2 000 000.00	2 000 000.00	US\$	2 000 000.00
0501 I. C. INC.	0.00	797 773.96	797 773.96	US\$	797 773.96
0601 SBS PANAMA	0.00	950 000.00	950 000.00	US\$	950 000.00
0701 TRIVERT INT'L	0.00	10 000 000.00	10 000 000.00	US\$	10 000 000.00
0801 GARNET OVERSEAS	0.00	5 000 000.00	5 000 000.00	US\$	5 000 000.00
0001 INT. EARNED WITH LAKE RESOURCES	0.00	26 558.00	26 558.00	US\$	26 558.00

975

203 ALBERT HAKIM

86 12 10 PAGE 4
01 86 TO 4 12 86

/C. DESCRIPTION

TRIAL BALANCE FROM 1
BALANCE CURRENCY US\$

	DEBIT	CREDIT	TOTAL BALANCE FROM 1	CURRENCY	US\$
70101 INT. EARNED WITH CSF INVESTMENTS	0.00	18 616.76	18 616.76	18 616.76	18 616.76
70201 INT. EARNED WITH GULF MARKETING	0.00	37 529.10	37 529.10	37 529.10	37 529.10
70401 INT. EARNED WITH ENERGY RESOURCES	0.00	59 136.40	59 136.40	59 136.40	59 136.40
70601 INT. EARNED WITH ALBON VALUES	0.00	35 338.88	35 338.88	35 338.88	35 338.88
70701 INT. EARNED WITH TOYCO SA	0.00	18 629.35	18 629.35	18 629.35	18 629.35
70801 INT. EARNED WITH HYDE PARK	0.00	59 864.83	59 864.83	59 864.83	59 864.83
70901 INT. EARNED WITH UDALL RESEARCH	0.00	4 915.11	4 915.11	4 915.11	4 915.11

TOTAL GROUP

49 126 446.03

3 FOREX US\$

190001 EQUIVALENT SFR / US\$	26 525.20	0.00	26 525.20	26 525.20	26 525.20
190100 FOREX POSITION SFR	0.00	50 000.00	50 000.00	50 000.00	26 178.00
190103 FOREX POSITION DM	0.00	116 198.36	116 198.36	116 198.36	52 937.65
390301 EQUIVALENT DM / US\$	52 938.78	0.00	52 938.78	52 938.78	52 938.78

TOTAL GROUP

348.35

P/L. NET BALANCE (6-8)

11 037 005.68

3 TRANSIT ACCOUNTS US\$

TOTAL GROUP

0.00

17 652 902.25

17 652 902.25

0.00

0.00

86 12 10 PAGE 5

03 ALBERT HAKIM
C DESCRIPTION

1 01 84 TO 4 12 86
BALANCE US\$

CURRENCY

TRIAL BALANCE FROM
BALANCE

DEBIT

CREDIT

244 393 489 67 244 393 489 67 0 00

GRAND TOTALS

H

SFR 52.3560
DM 45.5580

0 00

203 ALBERT HAKIM

/C. DESCRIPTION

DATE D'EDITION
NOMBRE DE COMPTES

977

H

DEBIT

861210
123

TRIAL DIALANCE FROM
CREDIT BALANCE

86 12 10 PAGE 6
1 01 84 TO 4 12 84
BALANCE
CURRENCY US\$

DEBIT CREDIT BALANCE

DEBIT

DOC NO CONTRA

1	A/C. NAME & DESCRIPTION	US\$	US\$	DEBIT	CREDIT	BALANCE
1	***** CAPITAL INVESTED					
4,999001	***** D E F X					
18	2 CASH WITHDRAWAL		5 000.00			5 000.00
20	2 CASH WITHDRAWAL		22 000.00			27 000.00
25	2 CASH DEPOSIT		15 000.00			42 000.00
16	4 TR TO LEE YUN		3 000.00			45 000.00
24	4 CHQ K. PHILLIPS		5 000.00			50 000.00
10	6 TR TO BK OF KOREA		5 000.00			55 000.00
14	11 TR TO SCITECH		67 340.00			122 340.00
85						
2	TR TO KHEL		165 000.00			287 340.00
20	2 CASH WITHDRAWAL		20 000.00			307 340.00
20	3 CASH WITHDRAWAL		3 000.00			310 340.00
25	3 CASH WITHDRAWAL		3 000.00			
25	3 TR TO KHALID RASHID		31 817.00			342 157.00
2	4 CASH WITHDRAWAL		5 000.00			350 157.00
3	4 TR TO BANCLAYS BANK CALIF.		10 000.00			
3	4 CASH WITHDRAWAL		7 000.00			
3	4 TRANSFER FROM ENERGY		20 000.00			387 157.00
9	4 TR TO BANK OF AMERICA		12 800.00			599 957.00
10	4 CHQ TO T. GREEN		45 000.00			644 957.00
12	4 TR TO RV5		101 826.78			
12	4 TR TO RV5		118 336.00			663 219.78
16	4 TR TO ALBERT MAKIM		50 000.00			
16	4 TRANSFER FROM ENERGY		20 000.00			735 219.78
18	4 TR TO R. GOODING		37 030.00			772 249.78
19	4 ADVANCE FOR EXPENSES		15 000.00			787 249.78
29	4 CASH WITHDRAWAL		7 000.00			794 249.78
6	5 CASH WITHDRAWAL		3 000.00			807 249.78
6	5 CASH WITHDRAWAL		5 000.00			812 249.78
7	5 TR TO CS PARIS.		116 000.00			918 249.78
17	5 TR TO 1ST AMERICAN BANK		90 000.00			1 008 249.78
21	5 TR TO CIE DE SERV FID RE LO		250 000.00			1 258 249.78

978

H

86 12 10 PAGE 2

FORM 01 01 86 TO 04 12 86

4203 ALBERT MAKIM LEDGER

A/C.	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
4999001	D E F X		(SUITE)			
24	5 PAT HOTEL INTERCON SFR 578	999901		224.12		1 228 473.90
30	5 TR TO BK OF KOREA	999901		50 000.00		1 308 473.90
7	6 TR TO A. MAKIM	999901		30 000.00		1 138 473.90
17	6 FUNDS RETURNED UNPAID	999901			50 000.00	1 288 473.90
18	4 TR TO BK OF KOREA	999901		45 000.00		1 333 473.90
3	7 CASH WITHDRAWAL	999901		420.17		
3	7 CASH WITHDRAWAL	999901		210.00		
3	7 TR TO 1ST AMERICAN BANK	8999901		25 000.00		1 359 104.15
5	7 TR TO AH THRU AHB	999901		20 050.00		1 479 154.15
10	7 TR TO PHILLIPS	999901		4 000.00		1 383 154.15
15	7 CASH WITHDRAWAL	999901		20 300.00		1 403 454.15
16	7 CASH WITHDRAWAL	999901		2 500.00		
16	7 CASH WITHDRAWAL	999901		2 500.00		
16	7 WITHDRAWAL US & NOTES	8999901		206 090.35		1 614 544.50
19	7 CASH WITHDRAWAL	999901		7 000.00		1 621 544.50
22	7 TR TO LOS GATOS	999901		72 000.00		1 696 544.50
16	8 CASH WITHDRAWAL	999901		2 943.46		1 699 487.96
28	8 CASH WITHDRAWAL	999901		10 000.00		
28	8 TRANSFER	999901		48 540.00		1 738 047.96
3	9 CASH WITHDRAWAL	999901		7 000.00		1 765 047.96
17	9 CASH WITHDRAWAL	999901		7 000.00		
17	9 CASH WITHDRAWAL	999901		10 000.00		1 777 047.96
20	9 CHG K. PHILLIPS	999901		2 000.00		
20	9 CHG K. PHILLIPS	999901		2 000.00		
23	9 CASH WITHDRAWAL	999901		2 000.00		
23	9 CHG KEUN SIK WUN	999901		2 000.00		
24	9 CASH WITHDRAWAL	999901		2 000.00		
1	10 CHG K. PHILLIPS	999901		0.00		1 779 047.96
4	10 CASH SOONI MAKIM	999901		11 500.00		1 801 047.96
15	10 CASH WITHDRAWAL	999901		7 500.00		1 805 048.26
23	10 CASH WITHDRAWAL	999901		5 000.30		1 807 048.26
23	10 CASH WITHDRAWAL	999901		2 000.00		1 808 548.26
25	10 CHG K. PHILLIPS	999901		1 500.00		1 810 548.26
25	10 CASH WITHDRAWAL	999901		2 000.00		1 812 548.26
28	10 CASH WITHDRAWAL	999901		2 000.00		1 814 548.26
7	11 CASH WITHDRAWAL SFR 2000	999901		102 000.00		1 821 548.26
12	11 CASH WITHDRAWAL	999901		943.40		1 923 548.26
12	11 TR TO CIE DE SERV FID RE #1	999901		7 000.00		1 931 491.66
14	11 TR TO CIE DE SERV FID RE #1	999901		43 030.00		1 974 521.66

976

#

DOC NO CONTRA

(SUITE)

A/C. NAME & DESCRIPTION

A/C. NAME & DESCRIPTION	DOC NO CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
499Y001 D E F E X	999901				
15 11 TR TO CIE DE SERV FID RECH	999901		20 000 00		2 117 521 66
11 CASH WITHDRAWAL	999901		25 000 00		2 044 991 66
22 11 CASH WITHDRAWAL	999901		2 470 00		2 042 991 66
22 11 CHQ K PHILLIPS	999901		2 000 00		
3 12 PAT VITA ZURICH SFR 19844.80	999901		9 529 32		2 056 521 94
3 12 PAT VITA ZURICH SFR 8 332 --	999901		4 000 96		2 056 521 94
16 12 CASH WITHDRAWAL SFR 5000 --	999901		2 386 63		2 056 521 94
17 12 PROFIT DISTRIBUTION PHASE IV	999901		82 031 09		2 056 521 94
17 12 PROFIT DISTRIBUTION PHASE IV	999901		100 800 00		
17 12 PROFIT DISTRIBUTION PHASE IV	999901		100 800 00		
17 12 PROFIT DISTRIBUTION PHASE IV	999901		2 000 00		
86			50 400 00		2 390 939 66
21 1 TR TO HOWARD RICE	999901		20 000 00		2 410 939 66
6 2 TR TO SCITECH	999901		100 000 00		2 510 939 66
7 2 TR TO A. HAKIM	999901		165 000 00		2 675 939 66
13 2 CHQ TO A. GREEN	999901		35 000 00		2 710 939 66
18 2 CASH ADVANCE	8999901		15 000 00		2 725 939 66
19 2 CASH WITHDRAWAL	999901		1 251 42		2 727 291 08
24 2 TRANSFER TO SHARP GREEN & LANK FO	999901		1 670 50		2 726 961 58
5 3 CSF INV. AH/SUB A/C	999901		2 000 000 00		4 726 961 58
18 3 CIE SRV FID CASH AH	999901		26 000 00		
14 4 TRANSFER	999901		50 000 00		4 803 961 58
17 4 AH SFR 136734.00	999901		25 000 00		4 831 961 58
17 4 CASH ALBERT HAKIM	999901		76 580 00		
17 4 CSF INV. LTD	999901		3 000 00		
18 4 CSF REIMBT KHALID RASHID	999901		15 000 00		4 922 561 58
22 4 REIMBT DEFEX	8999901		76 580 00		4 890 724 58
28 4 CASH PASSPORT USA	999901		3 000 00		4 865 724 58
28 4 CSF CHQ RUS	999901		5 975 00		
2 5 TRANSFER	999901		20 111 00		4 890 810 58
16 5 TR TO TAM	999901		2 274 80		4 901 085 38
20 5 CIE SERV. FID AH	999901		150 000 00		
20 5 CSF RUS	999901		26 490 00		26 490 00
20 5 CSF RUS	999901		26 490 00		
20 5 CIE SERV FID SCITECH	999901		8 833 00		
				31 817 00	
				25 000 00	

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
4999001	D E F E X						
20	5 CSF INV RE BUTTON	999901			200 000 00		
20	5 TRANSFER	999901			26 490 00		5 359 388 38
21	5 CSF INV AH SUB A/C 1	999901			10 000 00		
21	5 CASH WITHDRAWAL	999901			60 300 00		
22	5 CSF INV RE SCITECH	999901			100 000 00		5 409 888 38
23	5 CIE DE SERV FID RE AH	999901			500 000 00		5 509 888 38
27	5 CASH	999901			10 000 00		6 009 888 38
3	6 TR TO CSF INV RE AH	999901			79 167 00		6 019 888 38
3	6 TR TO CSF INV RE SCITECH	999901			26 590 00		
3	6 TR TO CSF INV RE KOREL	999901			79 167 00		
3	6 TR TO CSF INV RE C.TEA	999901			79 167 00		6 283 579 38
18	6 CSF A/C 111 CASH	5608001			2 000 000 00		
18	6 CSF A/C 111 CASH	5608001			200 000 00		8 483 579 38
20	6 TR TO DEFEX	5607001			11 183 00		
20	6 TR TO DEFEX	5607001			11 183 00		
20	6 TR TO DEFEX	5607001			3 728 00		
20	6 TR TO DEFEX	5607001			11 183 00		8 520 856 38
24	6 TR TO DEFEX	5607001			50 750 00		8 571 606 38
1	7 5000 DM CHO	5606001			2 305 32		
1	7 5000 DM CHO	5606001			2 305 31		8 576 217 01
2	7 RBT CHO BUCHINGER PAT	5606001				2 305 31	
2	7 RBT CHO BUCHINGER PAT	5606001				2 305 32	
14	8 CASH WITHDRAWAL	5608001			10 000 00		
17	8 TRANSFER FROM DEFEX	999901			258 398 00		
27	8 TRANSFER FROM DEFEX	999901			258 398 00		
27	8 TRANSFER FROM DEFEX	999901			86 133 00		9 442 933 38
3	10 REIMBURSEMENT CIE SERV	5608001			250 000 00		9 692 933 38
11	11 CSF INVEST RE C.TEA	5608001			30 000 00		9 722 933 38
TRANSACTION & BALANCE					9 836 361 01	113 427 63	9 722 933 38

86 12 10 PAVE 1
BALANCE

DEBIT

CREDIT

FROM 01 01 84 TO 04 12 86
DOC NO CONTRA

4203 ALBERT HAKIM
LEDGER

A/C NAME & DESCRIPTION

982

H

4203	ALBERT HAKIM LEUWER	1 NOV 01 01 86 TO 04 12 86	86 12 10	PRNF	?
A/C	NAME & DESCRIPTION	DOC: NO CONTRA	DEBIT	CREDIT	BALANCE
5	***** CASH ACCOUNTS	US\$			
56000001	***** LANE RES. - CREDIT SUITSE	US\$			
24	7 TRANSFER FROM AUDIFI	700201	500 000 00		500 000.00
85					
24	7 ON CALL	5600101			
24	7 TRANSFER FROM AUDIFI	700201	500 000 00	1 000 000.00	0.00
24	8 TRANSFER FROM AUDIFI	700201	392 000.00		392 000.00
7	8 FIDUCIARY DEPOSIT	5600201		392 000.00	0.00
21	8 TR FROM JOSEPH COORS	700001	65 000.00		65 000.00
20	8 OFF CALL	5600101	1 000 000 00		1 070 920.13
26	8 INTEREST	770001	5 920.13		
28	8 AGIO	840401		60.00	
28	8 TRANSFER	601601	48 560.00		
28	8 BANK CHARGES	640401	6 55		
28	8 CASH WITHDRAWAL	600201	10 000.00		1 012 293.58
29	8 CHO R. GUINTERO	600401	4 000 00		
29	8 BANK CHARGES	840401		3.10	
30	8 TRANSFER TO BCO BILBAO	601801	1 000 000.00		1 008 290 48
30	8 BANK CHARGES	840401		6.55	
31	9 CASH WITHDRAWAL	600201	7 000.00		8 283 93
31	9 AGIO	840401		75.00	
31	9 CASH RECEIVED	700301	2 400.00		
5	9 CM IBC	700001	130 000.00		
6	9 REDEMPTION	5600201	392 000 00		3 608.93
6	9 INTEREST	770001	2 368 34		
6	9 FIDUCIARY DEPOSIT	5600201		392 000.00	
11	9 TR TO STTG	602001	15 050.00		135 977 27
11	9 BANK CHARGES	640401		6.64	
11	9 BANK CHARGES	640401		290.00	
11	9 CO ON L/C	840401		1 720.00	
11	9 TR TO MAULE AIRCRAFT	600801		59 000.00	
11	9 BANK CHARGES	640401		6.64	
13	9 PHT R GUINTERO	600401		4 000 00	5,9 983.99

86 12 10 PMKJ. 3

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM LEDGER

A/C	NAME & DESCRIPTION	DOC. NO CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
500001	LAKE RES - CREDIT SUISSE					
13	9 BANK CHARGES	640401			2 92	
13	9 TR TO ABDUL RAHMAN	602101			2 636 00	53 265 07
17	9 CASH WITHDRAWAL	600201			10 000 00	
17	9 AGIO	640401			50 00	
17	9 ON CALL	5600101			290 000 00	53 160 63
17	9 TRANSFER	5604001		279 945 56	2 000 00	
20	9 CHQ K. PHILLIPS	602201			2 96	
20	9 BANK CHARGES	640401				
20	9 TR FROM SAM LOEM	700001		1 000 000 00	130 000 00	901 151 03
20	9 CHQ UNPAID IDC	700001			6 64	
20	9 BANK CHARGES	640401			2 378 93	
23	9 CHQ R. GUIINTERO	600401			3 10	
23	9 BANK CHARGES	640401			4 000 00	
23	9 TR TO MAULE AIRCRAFT	600801			9 500 00	
23	9 CHQ KEUN SIK WON	602101			11 500 00	
23	9 CASH WITHDRAWAL	600201			256 64	
23	9 BANK CHARGES	640401		129 935 86		
23	9 CM IBC	700001			10 00	1 003 430 14
23	9 BANK CHARGES	640401			600 000 00	
24	9 ON CALL	5600101			5 000 30	398 437 84
24	9 CASH WITHDRAWAL	600201			6 64	
30	9 BANK CHARGES	640401			984 17	
30	9 TR TO ENERGY	5604001			16 76	
30	9 CLOSING ENTRIES	640401			175 000 00	222 430 32
30	9 TR TO ALPHA SERVICES	602401			25 000 00	
1	10 TR TO ALPHA SERVICES	602401			6 64	
1	10 BANK CHARGES	640401			301 500 00	
1	10 TR TO SBS GVA	600601			2 21	
1	10 TR TO SBS GVA	640401			2 000 00	
1	10 CHQ K. PHILLIPS	602201			3 16	
1	10 BANK CHARGES	640401			4 000 00	
1	10 CHQ R. GUIINTERO	600401			3 16	
1	10 BANK CHARGES	640401				
1	10 OFF CALL	5600101		150 000 00		40 717 24
1	10 INTEREST	770001		802 09		
2	10 INTEREST	770001		85 94		

984

H

86 12 10 PMAC 4

F-KUM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LENGER

A/C.	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
	(SUITE)				
5000001	LAKE RES. - CREDIT SUISSE				
2 10	INTEREST	770001	830 73		41 633.91
4 10	CASH SOONI HAKIM	600201		1 500.00	40 120.09
4 10	BANK CHARGES	640401		13.82	
7 10	INTEREST	770001	2 489 47		34 609.56
7 10	FIDUCIARY DEPOSIT	5000201		8 000.00	134 557.24
11 10	TR FROM IC INC	700501	999 947 08		
15 10	PMT INV. COMP. DE SERV. F.I.D.	640101		4 650.00	
15 10	PMT INV. COMP. DE SERV. F.I.D.	640201		4 157.04	
15 10	CASH WITH. MASOUDI	600301		5 000.00	
15 10	CASH WITH. MASOUDI	600201		2 000.00	
15 10	CASH WITHDRAWAL	640401		45.00	
15 10	BANK CHARGES	600401		4 000.00	
15 10	CHQ. R. QUINTERO	640401		4 000.00	
15 10	BANK CHARGES	640201		4 812.82	117 701.97
17 10	PMT HOTEL INTERCONTINENTAL	5005001		107 809.15	117 889.15
18 10	TR. FROM ENERGY SBS	600801	3 394.58		111 285.73
21 10	TR. TO MAJLE AIRCRAFT	500801		50 225.00	
21 10	BANK CHARGES	500801		6.91	
21 10	PMT COM TULIN SA	600901		15 000.00	
21 10	BANK CHARGES	640401		13.82	
21 10	PMT DENIS PANCE	602301		5 000.00	
21 10	BANK CHARGES	640401		6.91	41 031.09
23 10	CASH WITHDRAWAL	600301		9 000.00	
23 10	AGIO	640401		45.00	31 986.09
23 10	CHQ. K. PHILLIPS	602201		2 000.00	
23 10	BANK CHARGES	540601		3.26	
23 10	TR FROM ENERGY SBS	5605001		102 000.00	30 182.83
28 10	CASH WITHDRAWAL	600201	200.00		
28 10	BANK CHARGES	640401		9.22	71 826.39
7 11	TR FROM BARCLAYS BANK	7700001			78 089.14
7 11	INTEREST	7700001	149 915 53		
7 11	CASH WITHDRAWAL SFR 2000 ---	600201	2 497 22		
7 11	OFF CALL	5600101		943.40	
7 11	INTEREST	7700001	200 000 00		
7 11	FIDUCIARY DEPOSIT	7700001	5 087 50		
12 11	PMT INV. AUDIFI	640101		100 000.00	184 740.46
				233.37	

506

H

86 12 10 PAGE 5

1, MOU 01 01 04 10 04 12 86

4203 ALBERT HAKIM
LEUCLER

A/C	NAME & DESCRIPTION	DUL NÚ CONTRA	(SUIITE)	DEBIT	CREDIT	BALANCE
5600001	LAKE RES - CREDIT SUISSE	600401			942 05	
12 11	CHQ R. BUJINTERO	640401			3 27	
12 11	BANK CHARGES	600301			7 000 00	
12 11	CASH WITHDRAWAL	640401			35 00	175 156 54
12 11	AGIO	640101			1 400 23	
14 11	PMT INV CSF	600201			43 030 00	
14 11	TR TO CIE DE SERV. FID AH	640401			7 01	
14 11	BANK CHARGES	601301			67 340 00	
14 11	TR TO SCITECH	640401			7 01	
14 11	BANK CHARGES	600201			7 01	64 772 52
15 11	TR TO CIE DE SERV. FID AH	640401			7 01	
15 11	BANK CHARGES	602501			5 000 00	
15 11	TR TO D. PONCE	640401			1 87	
15 11	BANK CHARGES	600901			15 000 00	
15 11	TR TO TULIN SA	640401			1 87	
15 11	BANK CHARGES	600201			25 000 00	
15 11	CASH WITHDRAWAL	600901			15 000 00	
15 11	TR TO TULIN SA	600901			5 000 00	
15 11	TR TO DENIS PONCE	602301			5 000 00	
15 11	BANK CHARGES	640401			30 37	
18 11	TRANSFER TO CSF INV. LTD	999901		540 000 00	80 000 00	20 268 60-
18 11	OFF CALL	5600101		1 134 38		
18 11	INTEREST	770001			7 01	
18 11	BANK CHARGES	640401			7 01	
18 11	BANK CHARGES	640401				
18 11	TR FROM IC INC	700501		47 973 65		
18 11	TR TO AMALGAMATED COM LNT	604101		1 000 000 00	450 630 00	58 195 41
20 11	TRANSFER	700001			1 030 695 41	
21 11	PMT INV CIE DE SERV FID	640601			7 500 00	
22 11	TRANSFER TO CSF INV LTD	999901			870 000 00	
22 11	BANK CHARGES	640401			7 01	
22 11	TRANSFER SCS	600601			100 000 00	
22 11	BANK CHARGES	640401			1 152 01	
22 11	CASH WITHDRAWAL	600201			21 470 00	58 066 39
25 11	CHQ R BUJINTERO	600401			4 000 00	
25 11	CHQ K. PHILLIPS	602201			2 000 00	
25 11	FUNDS RECEIVED LESS BK CHARGES	602501		4 970 00		37 036 39

986

H

86 12 10 PRICE 6

FROM 01 01 84 TO 04 12 86

4203 ALBERT MAKIM
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	COTRINA	(SUITE)	DEBIT	CREDIT	BALANCE
5600001	LAKE RES. - CREDIT SUISSE						
29 11	TR TO SANTA LUCIA AIRWAYS	602601				127 700.00	
29 11	BANK CHARGES	640501				1 87	90 665.48-
3 12	PMT VITA ZURICH AH SFR 19844 80	600201				9 529.32	
3 12	PMT VITA ZURICH AH SFR 8'332 --	600201				4 000.96	104 195.76-
6 12	TRANSFER TO CSF INV. LTD	999901				390 000.00	
6 12	INTEREST	770001			2 920.14		8 724.38
6 12	REDEMPTION	5600201			500 000.00		6 517.75
19 12	CASH WITHDRAWAL SFR 5000.---	600201				2 386.63	306 240.83
19 12	TRANSFER	700001					
18 12	CASH WITHDRAWAL	601901			299 903.08		
18 12	AGLO	640501			2 540.00		
20 12	TRANSFER TO CSF INV. LTD	999901				299 000.00	303 688.13
30 12	BANK CHARGES	640501				12.70	
31 12	CLOSING ENTRIES	640501			319.17		4 688.92
31 12	ADJ.	640501			0 01		4 501.74
89							
3	REVERSAL PMT PONCE	602501			5 000.00		9 301.74
10	RECEIVED FROM MAIL BK WASH	700001			60 000.00		
10	BANK CHARGES	640501				31.95	69 269.79
16	REVERSAL PMT D. PONCE	602501					74 287.69
22	FROM BARCLAYS BANK	700001			360 000.00		
22	BANK CHARGES	640501				124.15	434 145.64
27	NEW FUNDS	5601001				400 000.00	
27	DEFEX	603201				28 174.70	
27	BANK CHARGES	640501				2.39	7 968.55
17	NEW FUNDS BCCI- MONTE CARLO	700001			2 500 000.00		2 507 968.55
10	TRANSFER	5601001				650 000.00	
10	500316-JA-6010	604801				1 850 000.00	
10	BANK CHARGES	640501				2.50	2 507 966.05
10	FROM BCCI-CHASE	700001					
11	500316-JA-6010	604801				1 850 000.00	
11	BANK CHARGES	640501				2.50	657 963.55
13	ON CALL	5600101				650 000.00	7 963.55
17	HOTEL INTERCONTINENTAL	640201					
17	CASH WITHDRAWAL	640201				300.00	
17	BANK CHARGES	640501				5.17	

186

≡

86 12 10

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

CREDIT

DEBIT

DOC NO CONTRA

A/C. NAME & DESCRIPTION

BALANCE

A/C. NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5600001 LAKE RES - CREDIT SUISSE	604301		3 500.00	
17 2 ARTURO JOSE CAROZ PORRAS	644441		25.00	
17 2 BANK CHARGES	600901		10 000.00	
17 2 COMMERCIAL TULIN SA	640401		2.50	
17 2 BANK CHARGES	603701		10 000.00	
17 2 FAST INC	603701		7.50	
17 2 BANK CHARGES	640401		10 417.27	
17 2 TR TO MONTERO	600701		31 500.00	58 505.13-
17 2 BANK CHARGES	640401		5 000 000.00	
17 2 TR TO BK OTSAR T.A.	603101		150.00	
18 2 FROM LAKE	5602001	1 000 000.00		
18 2 BANK CHARGES	640401	5 000 000.00		891 219.87
18 2 SPT LOEME	700401			
18 2 CHECK BCCI	700001			
18 2 US NATIONAL CASH	5602001		50 125.00	
21 2 FROM LAKE	5602001	1 531 219.87		
21 2 OFF CALL	700001			
21 2 INTEREST	700001			
26 2 SAT	600101	650 000.00		
26 2 BANK CHARGES	600101	993.06		10 993.06
26 2 BANK CHARGES	640401		240 000.00	
28 2 TO LAKE	5602001	250 000.00	7.50	229 014.44-
3 2 TO LAKE (SAT)	5602001	50 000.00		70 985.56
5 2 SAT	600101		50 000.00	
5 2 BANK CHARGES	640401		7.98	
10 3 TO LAKE	5602001	100 000.00		70 977.58
10 3 BANK CHARGES	640401		2.66	
10 3 TR TO A/C 81053	604201		100 000.00	70 974.92
18 3 COMMERCIAL TULIN SA	600901		10 000.00	
18 3 BANK CHARGES	640401		15.96	10 958.96
31 3 DEBIT INTEREST	640401		171.96	10 787.00
15 4 IC INC.	700301	649 852.63		660 639.63
17 4 WITH TR TO UDALL	999901		3 225.00	657 414.63
18 4 FROM LAKE	5609001		641 775.00	15 639.63
14 5 TR FROM LAKE	5602001		15 000.00	
14 5 TRANSFER FROM LAKE	5608001	10 000 000.00		
14 5 TRIVERT INT.	700701			639.63

886

H

4.203 ALBERT HAKIM
LEDGER

86 12 10 PAGE 8

FROM 01 01 84 TO 04 12 86

A/C	NAME & DESCRIPTION	UDC NO CONTRA	DEBIT	CREDIT	BALANCE
5600001	LAKE RES - CREDIT SUISSE				
15	DISCOUNT BK & TRUST	700801	225 000 00		225 639 63
16	TRANSFER FROM LAKE	5608001		5 000 000 00	
16	TRANSFER FROM LAKE	5608001		1 200 000 00	
16	GARNET OVERSEAS	700801	5 000 000 00		
16	DISCOUNT BK & TRUST	700001	1 460 000 00		
16	CASH WITHDRAWAL	999901		224 438 00	
16	BANK CHARGES	640401		562 00	260 639 63
21	CASH WITHDRAWAL	999901		260 000 00	639 63
30	BANK CHARGES	640401		6 91	632 72
25	EAST INC.	603701		14 449 25	13 816 53-
26	TRANSFER TO LAKE RESOURCES	5608001	15 000 00		
26	BANK CHARGES	640401		9 09	1 174 38

686 H

31 242 567 57 37 241 393 19

TRANSACT. & BALANCE

1 174 38

4203 ALBERT MAKIM

LEDGER

FROM 01 01 84 TO 04 12 86

A/C. NAME & DESCRIPTION

DOC. NO CONTRA

A/C. NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
5600101 ***** CALL DEPOSIT - LAKE RESOURCES	US\$			
24 7 ON CALL	5600001	1 000 000.00		1 000 000.00
85				0.00
26 8 OFF CALL	5600001	290 000.00	1 000 000.00	290 000.00
17 9 ON CALL	5600001	600 000.00		890 000.00
24 9 ON CALL	5600001		150 000.00	740 000.00
1 10 OFF CALL	5600001		200 000.00	540 000.00
7 11 OFF CALL	5600001		540 000.00	0.00
18 11 OFF CALL	5600001			
86		650 000.00	650 000.00	650 000.00
13 2 ON CALL	5600001			0.00
21 2 OFF CALL				
TRANSACTION & BALANCE				
		2 540 000.00	2 540 000.00	0.00

FROM 01 01 84 TO 04 12 86

4203 ALBERT MAKIM
LEDGER

A/C. NAME & DESCRIPTION DOC. NO CONTRA

5600201 888888 FID. DEPOSIT - LAKE RESOURCES US\$				
A/C.	DESCRIPTION	DOC. NO	DEBIT	CREDIT
7 8	FIDUCIARY DEPOSIT	5600001	392 000 00	
85				392 000 00
6 9	REDEMPTION	5600001	392 000 00	
6	FIDUCIARY DEPOSIT	5600001	8 000 00	
7 10	FIDUCIARY DEPOSIT	5600001	100 000 00	
7 11	FIDUCIARY DEPOSIT	5600001		500 000 00
6 12	REDEMPTION	5600001		0 00
TRANSACT. & BALANCE			892 000 00	892 000 00
				0 00

166

H

4203	ALBERT HAKIM LEUGER	FROM 01 01 84 TO 04 12 86	1
A/C.	NAME & DESCRIPTION	DOC NO CONTRA	BALANCE
5601001	***** CSF INVESTMENTS LTD.	US\$	
18 11	ON CALL	5601101	80 000.00
85			
18 11	TRANSFER FROM LAKE RES.	999901	0.00
22 11	ON CALL	5601101	0.00
22 11	TRANSFER FROM LAKE RES.	999901	
6 12	ON CALL	5601101	50 000.00
6 12	FIDUCIARY DEPOSIT	5601201	340 000.00
6 12	TRANSFER FROM LAKE RES.	999901	
6 12	BANK CHARGES	640401	7.21
10 12	TRANSFER TO SOUTHERN AIR TRANSPORT	600101	60 000.00
10 12	BANK CHARGES	640401	7.21
11 12	OFF CALL	5601101	
13 12	OFF CALL	5601101	60 000.00
13 12	TRANSFER TO SBS GVA	600601	300 000.00
16 12	BANK CHARGES	640401	5.00
16 12	PAYMENT TO AEROLEASING GVA	600501	21 983.27
17 12	BAL OF ACCOUNT PHASE I+II+III	600201	82 031.09
17 12	PROFIT DISTRIBUTION PHASE IV	600301	100 800.00
17 12	PROFIT DISTRIBUTION PHASE IV	600301	100 800.00
17 12	BUSINESS EXPENSES PHASE IV	640201	50 000.00
17 12	REF CLUB PHILIPS	601301	2 000.00
17 12	BUS. EXPENSES	600401	
18 12	PROFIT DISTRIBUTION PHASE IV	999901	10 000.00
18 12	TR. TO SOUTHERN AIR TRANSPORT	600101	50 400.00
20 12	ON CALL	5601101	472 533.78
20 12	TRANSFER FROM LAKE RES.	999901	299 000.00
20 12	OFF CALL	5601101	472 533.78
27 12	TR. TO EAST INC	603701	574 533.78
30 12	OFF CALL	5601101	475 033.78
86			61 966.22
6 1	REDEMPTION	5601201	
6 1	INTEREST	770101	342 415.42
9 1	FIDUCIARY DEPOSIT	5601201	
7 1	BANK CHARGES	640401	3.35

FORM 01 01 84 10 04 12 86

4203 AIRPORT HAKIM
LLUGLER

A/C	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
5401001	CSF INVESTMENTS LTD.	(SUITE)			
7	1 PAYMENT TO R QUINTERO	600401		4 000.00	57 962.87
8	1 MANAGEMENT FEES 4TH QTR 85	640501		882.45	
1	TR TO JOSEPH HAMILTON	601101		125 000.00	67 919.58-
10	1 OFF CALL	5601101	63 000.00		4 919.58-
15	1 CHQ TO MAULE AIRCRAFT	600801		5 100.00	
15	1 TR TO TULLIN SA	600901		10 000.00	20 019.58-
21	1 TR TO HOWARD RICE	601201		20 000.00	40 019.58-
22	1 OFF CALL	5401101			
22	1 INTEREST	7701101	261 000.00		
22	1 TR TO SOUTHERN AIR TRANSPORT	600101	9 145.90		
22	1 TR TO AMALGHARATED COM ENT	604101			
27	1 NEW FUNDS	5400001		230 000.00	59 873.68-
27	1 ON CALL	5401101			
30	1 BANK CHARGES	640601		370 000.00	
30	1 PMT TO R QUINTERO	600401		4 000.00	9 873.68-
31	1 BANK CHARGES	640401			
31	1 OFF CALL	5401101		23.92	
31	1 INTEREST	7701101	150 000.00		
31	1 TR TO AMALGHARATED COM ENT	604101	292.91		
3	2 TR TO MAULE AIRCRAFT	600801		150 000.00	13 608.18-
3	2 TELEPHONE CHARGES	640301		50 535.04	
3	2 BANK CHARGES	640601		17.96	
6	2 MEMORITION	640401		10.00	64 163.18-
6	2 INTEREST	7701201	342 415.42		
6	2 FIDUCIARY DEPOSIT	5601201	2 358.86		
6	2 TR TO SCITECH	601301		344 774.28	
7	2 INTEREST	770101		100 000.00	164 163.18-
7	2 TR TO A HAKIM	600201		165 000.00	
7	2 TR TO KOREL ASSETS	560401		165 000.00	692 816.85-
10	2 ON CALL	5600001	650 000.00		156 183.17-
11	2 INTEREST	7701101		600 000.00	
11	2 CHQ TO A GREEN	601301	168.06		643 648.77-
13	2 TR TO SOUTHERN AIR TRANSPORT	600101		35 000.00	478 648.77-
17	2 OFF CALL	5601101	280 000.00		748 648.77-
18	2 TEL. CHARGES	640301		100.00	468 648.77-

266

H

A/C.	NAME & DESCRIPTION	DOL NO CONTRA	DEBIT	CREDIT	BALANCE
5601001	CSF INVESTMENTS LTD.				
18	2 BANK CHARGES	640401		50.00	467 702 59-
18	2 INTERLST	770101	1 096 18		
19	2 OFF CALL	5601101	35 000 00		
19	2 OFF CALL	5601101	15 000 00		
19	2 INTEREST	770101	103 12		
19	2 CASH WITHDRAWAL	600201		1 351 42	418 950 89-
20	2 BANK CHARGES	640401		10 00	
20	2 TR. TO EAST INC.	603701		20 000 00	430 960 89-
25	2 OFF CALL	5601101	490 000 00		
25	2 INTEREST	770101	54 1 46		
25	2 ADJ INT.	770101	20 00		51 600 57
26	2 BANK CHARGES	640401		7 50	
26	2 TR TO SHARP GREEN & LANK FORD	601701	1 670 50		
26	2 TR TO R. QUINTERO	600401	5 000 00		
26	2 TR. TO EAST INC.	603701	92 440 44		47 517 87-
27	2 TR TO SBS GVA	600601	222 000 00		
27	2 BANK CHARGES	640401		2 50	269 520 37-
28	2 PMT TO MAULE AIRCRAFT	600801	4 577 67		
28	2 TRANSFER TO GMC	5602001	79 000 00		353 098 04-
3	3 CHECKS TO J. MONTERO	601901	30 000 00		383 098 04-
4	3 TR TO J. R. MONTERO	601901	21 000 00		
4	3 BANK CHARGES	640401		15 00	404 113 04-
5	3 RD CHO MONTEKO	601901	30 000 00		
6	3 REDEMPTION	5601201	344 774 28		
6	3 INTEREST	770101	2 128 50		374 113 04-
25	3 CHO R QUINTERO	600401		10 000 00	27 210 20-
25	3 BANK CHARGES	640401		3 64	37 213 90-
26	3 TRANSFER FROM GMC	5602001	37 213 90		0 00
TRANSACTION & BALANCE					
				6 073 020 56	6 073 020 56
					0 00

994

H

4.203 ALBERT HAKIM FROM 01 01 84 TO 04 12 86
 LEDGER DOC NO CONTRA

86 12 10 PAGE 1

A/C. NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5601101 ***** CALL DEPOSIT - CSF INVESTMENTS LTD. US\$				
18 11 ON CALL	5601001	80 000 00		80 000 00
85				
22 11 ON CALL	5601001	970 000 00		950 000 00
6 12 ON CALL	5601001	50 000 00		1 000 000 00
11 12 OFF CALL	5601001		60 000 00	940 000 00
13 12 OFF CALL	5601001		300 000 00	640 000 00
20 12 ON CALL	5601001	299 000 00		939 000 00
26 12 OFF CALL	5601001		98 000 00	841 000 00
30 12 OFF CALL	5601001		537 000 00	304 000 00
86				
10 1 OFF CALL	5601001		63 000 00	241 000 00
22 1 OFF CALL	5601001		241 000 00	0 00
27 1 ON CALL	5601001	370 000 00		370 000 00
31 1 OFF CALL	5601001		150 000 00	220 000 00
11 2 ON CALL	5601001	600 000 00		820 000 00
17 2 OFF CALL	5601001		280 000 00	540 000 00
19 2 OFF CALL	5601001		35 000 00	490 000 00
25 2 OFF CALL	5601001		15 000 00	475 000 00
25 2 OFF CALL	5601001		490 000 00	0 00

966 H

TRANSACT & BALANCE
 2 269 000 00 2 269 000 00

FROM 01 01 84 TO 04 12 86

ALBERT HAKIM
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5601201	***** FID DEPOSIT - CSF INVESTMENTS LTD. US\$				
6	12 FIDUCIARY DEPOSIT	5601001	340 000.00		340 000.00
6	1 REDEMPTION	5601001		340 000.00	
6	1 FIDUCIARY DEPOSIT	5601001	342 415.42		342 415.42
6	2 REDEMPTION	5601001		342 415.42	
6	2 FIDUCIARY DEPOSIT	5601001	344 774.28		344 774.28
6	3 REDEMPTION	5601001		344 774.28	
TRANSACT. & BALANCE			1 027 189.70	1 027 189.70	0.00

966

#

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

BALANCE

CREDIT

DEBIT

DOC NO CONTRA

A/C. NAME & DESCRIPTION

5602001 ***** GULF MARKETING CONS

US\$

A/C. NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
18 2 FROM LAKE	5600001	5 000 000 00	5 000 000 00	0 00
86 2 ON CALL	5602101	1 006.95		1 006.95
19 2 INTEREST	770201	1 531 219.87		
21 2 FROM LAKE	5600001		1 200 000 00	2 226.82
21 2 FTD DEPOSIT	5602201		330 000 00	9 607.72
21 2 ON CALL	5602101	7 380.90		
24 2 INTEREST	770201	79 000.00		
26 2 TRANSFER TO GMC	5601001	250 000.00		
28 2 OFF CALL	5602101		250 000 00	88 607.72
28 2 TO LAKE	5600001	5 000 000 00		
5 1 FROM CALL	5602101		50 000 00	
5 1 TO LAKE (SAT)	5600001		30 000 00	
5 3 TO CSF (JPM)	601901		25 00	
5 3 BANK CHARGES	640401			
5 3 CASH WITHDRAWAL	999901			
5 3 INTEREST	770201	7 262.08		95 844.80
10 3 TO LAKE	5600001		5 000 000 00	4 155.70
17 3 ACE	604101			
17 3 BANK CHARGES	640401		26.60	479 181.80
18 3 CLE SRV FTD CASH AH	600201		28 000 00	
18 3 BANK CHARGES	640401		420 00	
18 3 CSF INU CASH AH	600201		50 000 00	
18 3 BANK CHARGES	640401		750 00	558 151.80-
21 3 ACE	604101		29 000 00	
21 3 BANK CHARGES	640401		26.60	
21 3 SAT	600101		71 000 00	
21 3 BANK CHARGES	640401		7 98	658 386.38
25 3 KHALID RASHID	604701		31 817 00	
25 3 BANK CHARGES	640401		10.64	690 214.02-
26 3 TRANSFER FROM GMC	5601001		37 213.90	727 427.97-
27 3 DEBIT INTEREST	640401	1 241.22		728 669.14-
3 4 BANK CHARGES ON CSF TRANSFER	600101		6 10	
3 4 SAT	600101		400 000.00	

997

H

FROM 01 01 86 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
5607001	GULF MARKETING CONS					
3	BANK CHARGES		640401		7.81	
3	CIE SERV FID R. QUINTERO		600401		28 000.00	
3	BANK CHARGES	8	640401		100.00	
3	BANK CHARGES	6	640401		7.81	1 156 790 86-
7	TR TO SBS GVA		600601		93 120.00	
7	BANK CHARGES		640401		2.60	1 249 913.46-
9	TOM LINNES REIMBT LOC. 300.- SFR		640201	150.00	154.04	
9	PMT SFR 300.- CASH		640201		5.11	1 249 922.61-
9	BANK CHARGES		640401		136 137.00	
10	TR TO SBS GVA		600601		2.60	
10	BANK CHARGES		640401			
10	CASH DEPOSIT		999901	248 750.00		
10	BANK CHARGES		640401	0.01		
10	BANK CHARGES		640401	0.01		
14	BANK CHARGES		640401		7.81	1 137 312.19-
14	EAST INC.		603701		30 000.00	
14	BANK CHARGES		640401		7.81	
14	SAT		600101		150 000.00	
14	BANK CHARGES		640401		7.81	
14	TRANSFER		999901		25 000.00	1 342 335.67-
15	CASH DEPOSIT		999901	199 000.00		1 143 335.62-
17	WITH CASH : EXPENSES		640201		601.00	
17	BANK CHARGES		640401		5.30	1 143 941.92-
18	CSF REIMBT KHALID RASHID		604701			
18	BC REIMBT.		640401	31 817.00		1 112 114.28-
22	REIMBT DEFEX		999901	10.64		1 087 114.28-
14	TR FRM LAWE		5600001	25 000.00		1 072 114.28-
20	CSF INV. 1201		640101	15 000.00		
21	REIMBT FTD		5602201		2 500.00	1 074 614.28-
21	INTEREST		770201	1 200 000.00		
21	CSF INV. AH SUB A/C 1		600201	21 879.17		
21	BC RE TR TO ALBON		640401		10 000.00	116 364.89
23	FROM GULF MARKETING		5606001		119 100.00	17 264.89
16	CSF INVOICE NO 1236 (ACCTG)		640601		2 548.48	14 716.41
30	CLOSING ENTRIES		640401		15 221.81	505.40-
17	TO GULF		5607001	1 000.00		494.60

4203 ALBERT HAKIM
LEDGER

A/C. NAME & DESCRIPTION

5602001 GULF MARKETING CONS.

FROM 01 84 TO 04 12 86

DOC NO CONTRA

(SUITE)

666

H

86 12 10 PAGE 3

DEBIT CREDIT BALANCE

13 698 476 63 13 697 982.03
494.60

TRANSACTION & BALANCE

4203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

A/C.	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5602101	000000 CALL DEPOSIT - GULF MARKETING	5602001	5 000 000 00		5 000 000 00
18 2	ON CALL	5602001			
86		5602001	330 000 00		5 330 000 00
21	2 ON CALL	5602001		250 000 00	5 080 000 00
28	2 OFF CALL	5602001		5 080 000 00	0 00
5	3 FROM CALL				
TRANSACT. & BALANCE			5 330 000 00	5 330 000 00	0 00

4203 ALBERT HAKIM
 LEDGER

FROM 01 01 84 TO 04 12 86

86 12 10 PAGE 1

A/C. NAME & DESCRIPTION 100 DOC. NO CONTRA DEBIT CREDIT BALANCE

5402201 ***** FID. DEPOSIT - GULF MARKETING US\$

21 2 FID DEPOSIT 5402001 1 200 000 00 1 200 000 00

86

21 5 REIMBT FTD 5402001 1 200 000 00 0 00

TRANSACT. & BALANCE

1 200 000 00 1 200 000 00 0.00

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

A/C. NAME & DESCRIPTION DOC NO CONTRA

5603001 ***** DOLBY BUSINESS US\$

			DEBIT	CREDIT	BALANCE
1	5 ARNE HERUP AND DBI DKR 250000 --	603901		31 098.40	
86					
1	5 BANK CHARGES	640401		8.13	
1	5 CIE SERV. FID. INV. 1164 + 1190	5606001		6 406.56	2 486.91
1	5 TRANSFER TO DOLBY	603901	40 000.00		
7	5 ARNE HERUP AND DBI DKR 230558 --	640401		8.16	
7	5 BANK CHARGES	603901		8 000.00	
7	5 CIE SERV. FID. SA CHARTERING APS	640401		18.38	
7	5 BANK CHARGES	603901		5 000.00	301 003.94-
7	5 RETRAIT CASH CAPTAIN ARNE HERUP	5606001	307 500.00		6 496.06
12	5 FROM ALBON	870301		52 904.90	46 408.84-
20	5 CSF INV. 1161250M+5806.25 AT 2 19	603901		5 012.00	
21	5 RETRAIT CASH CAPTAIN ARNE HERUP	640401		13.00	51 433.84-
21	5 BANK CHARGES	603901	50 000.00		1 433.84-
22	5 FROM ALBON	5606001		20 000.00	21 437.57-
23	5 ACOMPRIT SERV. MARITIME	640401		3.73	5 562.43
26	5 FROM ALBON	5606001	25 000.00		
5	6 CHECK TO ARNE HERUP	603901		3 125.00	
5	6 SALARY CHIEF MATE AND COOK	603901		5 500.00	
5	6 FROM HYDE PARK	5608001	50 000.00		
5	6 BANK CHARGES	640401		8.02	54 929.41
6	6 BANK CHARGES	640401		3.85	44 925.56
13	6 COMPTE NO 3477 L11 1930000	603901		1 293.74	
13	6 BANK CHARGES	640401		8.24	43 623.58
26	6 SA CHARTERING APS	603901		6 425.60	
26	6 BANK CHARGES	640401		8.02	37 189.96
30	6 SA CHARTERING APS	603901		3 454.25	
30	6 BANK CHARGES	640401		8.02	33 238.40
30	6 CLOSING ENTRIES	640401		489.29	
1	7 SA CHARTERING APS	603901		247.03	37 985.70
1	7 BANK CHARGES	640401		5.67	32 951.82
4	7 CLOSING DM ACCT	870301		33.88	32 946.06
7	7 BANK CHARGES	640401		5.76	

73.36-

86 12 10 17162

FROM 01 01 84 TO 04 12 86

4.203 ALBERT HARK (M)
LEDGER

A/C.	NAME & DESCRIPTION	UOC NO CONTRA	DEBIT	CREDIT	BALANCE
1003 H		(SUITE)			
1003001	DOLLY BUSINESS	003901		15 500 00	
8	SA CHARTERING APS	004001		8 20	17 437 86
8	BANK CHARGES	003901		3 125 00	
9	CHO ARNE HERUP	003901		5 900 00	
7	127555-5 WAGES CREW	004001		8 20	8 404 06
7	BANK CHARGES	5008001	5 000 00		
7	FROM HYDE PARK	003901		5 000 00	
10	ARNE HERUP RE INCENTIVE	003901		6 250 00	2 154 60
10	ARNE HERUP WAGES MAY-JUNE	003901		1 460 00	
14	SA CHARTERING APS	003901		16 39	678 27
14	BANK CHARGES	004001			678 27
15	CSF GUARANTILE 500'000 - DKR	5000001	70 000 00		
15	TO DOLLY	003901		5 450 00	
16	SA CHARTERING APS	004001		8 20	240 07
16	BANK CHARGES	5008001	5 000 00		
17	TO DOLLY	004001			
23	TO DOLLY	5000001	50 000 00		
23	SA CHARTERING APS	003901		4 444 00	
23	CSF DKR 32'000 - RLMUT PSH	003901		4 176 47	
23	BANK CHARGES	004001		8 20	41 011 40
25	CHO ARNE HERUP	003901		3 125 00	
25	BANK CHARGES	004001		5 75	38 480 65
28	SA CHARTERING APS	003901		16 000 00	
28	BANK CHARGES	004001		8 20	22 472 45
31	WAGES SHIP CREW	003901		7 100 00	
31	BANK CHARGES	004001		8 20	
31	ARNE HERUP	003901		3 125 00	12 239 25
31	TO DOLLY	5000001	40 000 00		
21	SA CHARTERING APS	003901		16 800 00	
21	BANK CHARGES	004001		8 93	35 430 32
22	ARNE HERUP	003901		6 250 00	
22	BANK CHARGES	004001		5 95	29 174 37
25	CHO ARNE HERUP	003901		6 250 00	
25	127555-5 REF WAGES	003901		7 100 00	
25	BANK CHARGES	004001		8 93	15 815 44
28	SA CHARTERING APS	003901		15 000 00	
28	BANK CHARGES	004001		2 38	813 06

4203 ALBERT HAKIM FROM 01 01 84 TO 04 12 86
 LEDGER

A/C.	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5603001	DOLLY BUSINESS				
3	9 TO DOLLY	5617001	50 000 00		50 813 06
24	9 BANK CHARGES	640401		6 12	50 806 94
26	9 ARNE HERUP - A/C WITH CREDIT SUITE	603901		3 125 00	
26	9 SHIP WAGES - 127555-5	603901		7 100 00	
26	9 BANK CHARGES	640401		9 09	
26	9 ARNE HERUP	603901		3 125 00	37 447 85
27	9 SA CHARTERING APS	603901		13 340 00	
27	9 BANK CHARGES	640401		9 09	24 098 76
15	10 SA CHARTERING APS	603901		20 000 00	
15	10 BANK CHARGES	640401		9 09	4 089 67
24	10 BANK CHARGES	640401		6 04	4 083 63
27	10 BANK CHARGES	640401		2 42	4 081 21
28	10 TRANSFER TO DOLLY	5618001	10 000 00		
28	10 ARNE HERUP	603901		3 125 00	
28	10 ARNE HERUP CHECK	603901		3 125 00	731 21
28	10 127555-5 OCTOBER	603901		7 100 00	695 71
7	11 REIMBT SERVID SFR 60 LEGAL FEES	640601		35 50	689 69
25	11 BANK CHARGES	640401		6 02	
27	11 ARNE HERUP	603901		3 125 00	
27	11 127555-5	603901		7 100 00	
27	11 CHECK ARNE HERUP	603901		3 125 00	12 660 31-
28	11 TRANSFER TO DOLLY	5608001	15 000 00		
28	11 BANK CHARGES	640401		9 04	2 530 65

TRANSACTION & BALANCE 116 198 36- 717 500 00 715 169 35

4203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

A/C	NAME & DESCRIPTION	DOC NO CONTRA	D. M	DEBIT	CREDIT	BALANCE
5603003	***** DOLBY BUSINESS					
20 5	INSURANCE PAYERS HORNER				110 318.75	
86			0603903			
20 5	BANK CHARGES		640403		18.02	110 336.77-
21 5	CHANGE & DM FFR CSF INV		890103	110 318.75		18.02-
30 6	CLOSING ENTRIES		640403		55.34	73.36-
4 7	CLOSING DM ACCT		890103	73.36		0.00
TRANSACTION & BALANCE				50 293 58+	110 392 11	0 00

1005

H

4203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

A/C. NAME & DESCRIPTION

DOC NO CONTRA

DEBIT CREDIT BALANCE

5603101 000000 CALL DEPOSIT - DOLBY

US\$

TRANSACTION BALANCE

00
00
00

0 00

0 00

0 00

4203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

86 12 10 PAGE 1

A/C. NAME & DESCRIPTION

DEBIT CREDIT BALANCE

5603201 000000 FID DEPOSIT - DOLMY 1007

US\$

TRANSACTION & BALANCE

0.00

0 00

0 00

H

Erving *New York* 12 10 PAGE 1

4703 IN BERT BANK IM FROM 01 01 84 TO 04 12 84
 LEDGER DOC NO CONTRA

5004001 000000 ENERGY RESOURCES - CREDIT SUISSE US\$

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
25	2 CASH WITHDRAWAL	999901			15 000 00	15 000 00 -
21	12 TR FROM BANKAMERICA INT.	700001			410 000 00	410 000 00
28	12 TR TO TRANSWORLD ARMS	602701		425 000 00	414 037 00	
28	12 BANK CHARGES	640401			6 00	4 043 00 -
85						
16	1 TRANSFER FROM AMERICAN EXPRESS	700001		96 450 00	90 000 00	92 407 00
16	1 TRANSFER TO TRANSWORLD ARMS	602701			5 88	
16	1 BANK CHARGES	640401				
16	1 TR FROM AMERICAN EXPRESS	700001		337 000 00		339 411 12
17	1 TRANSFER FROM SBS ZURICH	700001		326 543 50		665 944 62
22	1 TRANSFER TO TRANSWORLD ARMS	602701			400 000 00	
22	1 BANK CHARGES	640401			5 88	265 938 74
29	1 TRANSFER FROM AMERICAN EXPRESS	700001		138 000 00		403 938 74
31	1 ON CALL	5004101				128 938 74
18	2 CASH WITHDRAWAL	600201			275 000 00	
18	2 AGIO	640401			5 000 00	
19	2 ON CALL	5004101			21 52	123 917 22
20	2 CASH WITHDRAWAL	600301			90 000 00	
20	2 CASH WITHDRAWAL	600201			22 000 00	
20	2 AGIO	640401			20 000 00	
23	2 INTEREST	770001			135 68	
23	2 ADJ INT	770401		1 429 00		8 218 46 -
23	2 AGIO	640401		0 59		
25	2 BUSINESS EXPENSES	640201			92 53	
25	2 CASH WITHDRAWAL	602001			3 506 00	
25	2 AGIO	640401			2 000 00	
28	2 OFF CALL	5004101			10 00	12 397 40 -
28	2 CHQ TO STTG	602001				
28	2 BANK CHARGES	640401			11 52	
5	3 TR FROM BANKCLAY'S BANK MIAMI	700001			8 000 00	29 591 08
6	3 TR TO SOUTHLAN AIR TRANSPORT	600101				1 229 514 62
6	3 BANK CHARGES	640401		1 199 923 54		
7	3 TR TO SBS GVA	600601			121 825 00	
7	3 BANK CHARGES	640401			5 21	1 107 694 41
					353 600 00	
					1 174	754 032 67

A/C.	NAME & DESCRIPTION	DOC NO CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
5604001	ENERGY RESOURCES - CREDIT SUISS					
8	3 ON CALL		5604101		500 000.00	254 082.67
11	3 BANK CHARGES		640401		5.21	
11	3 TR. TO BCO PORTUGUES		603401		415 649.00	161 571.54-
12	3 OFF CALL		5604101	200 000.00		38 428.46
14	3 TR FROM BARCLAYS BANK, MIAMI		700001	499 909.89		538 338.35
19	3 ON CALL		5604101		235 000.00	
19	3 TR TO TRANSWORLD AGMS		602701		600 000.00	
19	3 BANK CHARGES		640401		5.21	296 666.86-
20	3 CASH WITHDRAWAL		600201		3 000.00	
20	3 CASH WITHDRAWAL		602001		3 000.00	
20	3 CASH WITHDRAWAL RVS		640201		5 000.00	
20	3 AGIO		640401		88.80	
20	3 OFF CALL		5604101	300 000.00		7 755.66-
22	3 TR FRM BCO PORTUGES		602901	1 069.43		6 686.23-
25	3 CASH WITHDRAWAL		600201		3 000.00	
25	3 AGIO		640401		15.00	
26	3 INTEREST		770401	3 457.35		9 701.23-
27	3 OFF CALL		5604101	30 000.00		6 454.88-
29	3 TR FRM BARCLAYS BANK, GENEVA		700001	2 999 922.03		43 756.12
31	3 CLOSING ENTRIES		640401		188.77	3 043 678.15
2	4 CASH WITHDRAWAL		600201		5 000.00	3 043 489.38
2	4 AGIO		640401		25.00	
3	4 BANK CHARGES		640401		25.62	
3	4 TR TO SBS GVA		600601		300 000.00	
3	4 BANK CHARGES		640401		1.87	
3	4 TR TO BARCLAYS BK CALIF		600201		10 000.00	
3	4 BANK CHARGES		640401		100.00	
3	4 CASH WITHDRAWAL		600301		7 000.00	
3	4 AGIO		640401		35.00	
3	4 TRANSFER		999901		20 000.00	2 701 301.89
4	4 ON CALL		5604101		2 700 000.00	1 301.89
4	4 TR TO BANK OF AMERICA		600201		12 800.00	
4	4 BANK CHARGES		640401		100.00	
10	4 OFF CALL		5604101	150 000.00		11 598.11-
10	4 CHQ TO R. QUINTENO		600401		5 000.00	
10	4 CHQ TO SITGI		602001		30 000.00	

1009 H

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
5604001	ENERGY RESOURCES - CREDIT SUISS						
10	4 CHQ TO TRANS WORLD		602901			67 444.69	
10	4 CHQ TO THOMAS GREEN		601501			45 000.00	
10	4 BANK CHARGES		640401			210.93	
10	4 TR FROM BARCLAYS BANK MIAMI		700001		1 999 903.77		1 990 650.04
12	4 PMT INV CIE DE SEAV. FID		640601			18 000.00	
12	4 TR TO R. SECOND		600301			101 926.78	
12	4 TR TO R. SECOND		600301			118 336.00	
12	4 UN CALL		5604101			1 700 000.00	52 387.26
16	4 TR TO ALBERT HAKIM		600201				
16	4 BANK CHARGES		640401			5.62	
16	4 TR TO LEE YUN		603001			3 000.00	
16	4 BANK CHARGES		640401			11.24	
16	4 OFF CALL		5604101				
16	4 ADJ. BC		640401		50 000.00		
16	4 TRANSFER		999901			40.00	
17	4 TR TO SBS GVA		600601			20 000.00	29 350.40
17	4 OFF CALL		5606101			150 000.00	
18	4 TR TO STTIGI		602001		200 000.00		
18	4 BANK CHARGES		640401			8 500.00	
18	4 TR TO R. GOODING		603101			15.00	
18	4 BANK CHARGES		640401			37 030.00	
19	4 AGIO		640401			5.62	
19	4 CASH ADVANCE		999901			75.00	
23	4 TR FROM BARCLAYS BANK		700001		1 199 906.12		18 704.78
23	4 TRANSFER		5605001			15 000.00	
23	4 BANK CHARGES		640401			1 560 000.00	
23	4 OFF CALL		5604101			1.87	
24	4 ON CALL		5604101				
24	4 INTEREST		770401				
25	4 BANK CHARGES		640401		18 869.09		
25	4 CHG K. PHILLIPS		601701			5.62	
25	4 CHO GAR INC		603301			9 000.00	
25	4 CHO R. QUINTILHO		600401			1 000.00	
25	4 BANK CHARGES		640401			4 000.00	
25	4 CHECK REMITTANCE		5605001			55.62	
25	4 BANK CHARGES		640401			10 000.00	
						2.71	

1010 H

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5604001	ENERGY RESOURCES - CREDIT SWISS					
25	4 TR TO DEFEX	603201			21 907.00	14 492.83-
29	4 OFF CALL	5604101		50 000.00	7 000.00	
29	4 CASH WITHDRAWAL	600201			35.00	28 472.17
29	4 AGID	640401				274 874.46
2	5 TR FROM BARCLAYS BANK	700001		246 402.29		274 664.13
3	5 PAT SAFE SBS SFR 550. --	640401			210.33	
6	5 OFF CALL	5604101		2 500 000.00		
6	5 BANK CHARGES	640401			5.77	
6	5 CASH WITHDRAWAL	600301			5 000.00	
6	5 CASH WITHDRAWAL	600201			3 000.00	
6	5 AGID	640401			40.00	
6	5 TR TO BCO PORTUGUES	600601			2 491 708.00	274 918.36
7	5 ON CALL	5604101			250 000.00	
7	5 BANK CHARGES	640401			5.57	
7	5 TR TO CS PARIS	999901			116 000.00	91 087.41-
8	5 OFF CALL	5604101		60 000.00		
8	5 BANK CHARGES	640401			5.77	
8	5 TR TO BCO PORTUGUES	600601			60 000.00	91 092.98-
9	5 TR TO BCO PORTUGUES	603401			24 000.00	
9	5 BANK CHARGES	640401			5.77	
9	5 EXPENSES PAID BY STIGI	603501			503.00	
9	5 EXPENSES PAID BY STIGI	603601			410.00	
9	5 EXPENSES PAID BY STIGI	600401			2 840.48	
9	5 TRANSFER TO STIGI	602001			25 000.00	
9	5 BANK CHARGES	640401			10.00	
9	5 OFF CALL	5604101		140 000.00		
9	5 ADJ. UC	640401			5.77	3 808.00-
10	5 TRAVEL EXPENSES	640201			241.33	4 109.33-
13	5 OFF CALL	5604101		1 650 000.00		
13	5 UN CALL	5604101				
13	5 INTEREST	770401		11 589.59		7 440.76
15	5 OFF CALL	5604101		150 000.00		
15	5 INTEREST	770401		676.05		150 156.31
16	5 TR FROM BCO PORTUGUES	603401		4 906.88		163 063.19
17	5 BANK CHARGES	640401			5.77	
17	5 ADJ. UC	640401			20.00	

1011 H

ALBERT HAKIM
LLDGER

86 12 10 PVNL 4

86 12 86

86 12 10 PAUL 5

FROM 01 01 84 TO 06 12 86

4203 ALBERT HAKIM LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5604001	ENERGY RESOURCES - CREDIT SWISS	(SUITE)			
17	5 TR TO FIRST AMERICAN BK	999901		90 000.00	75 037.42
21	5 TR TO CIE DE SERV. FID SA RE LU	600201		250 000.00	
21	5 BANK CHARGES	640401		5.77	
21	5 TR FROM BARCLAYS BANK	700001	80 201.32		
21	5 OFF CALL	5604101	250 000.00		155 232.97
22	5 CHG R QUINTERO	600401		17.97	
22	5 BANK CHARGES	640401			
22	5 INTEREST	770401			
24	5 ON CALL	5604101	2 099.83		140 037.03
24	5 PMT INV CIE DE SERV FID	640601		100 000.00	
24	5 PMT INV LOZE & KAISER	640601		500.00	
24	5 PMT INV HOTEL INTERCON SFR 578	640601		2 000.00	
29	5 INTEREST	600201		224.12	
30	5 OFF CALL	770401	1 830.73		37 312.91
30	5 TR TO BANK OF KOREA	5604101	100 000.00		39 143.64
30	5 BANK CHARGES	603001		50 000.00	
30	5 TR TO ROYAL BANK OF CANADA	640401		11.54	
30	5 BANK CHARGES	602701		8 000.00	
30	5 TR TO BCO PORTUGUES	640401		5.77	
30	5 BANK CHARGES	603201		57 500.00	
31	5 TR FROM BARCLAYS BANK	640401	299 848.06		23 620.56
4	6 ON CALL	700001		5.77	
5	6 ON CALL	5604101		300 000.00	373 468.62
6	6 CHG RBT COSTS RVS	770401	1 805.55		23 468.62
6	6 BANK CHARGES	600101	4 768.20		25 274.17
7	6 TR TO A HAKIM	640401		3.08	
7	6 BANK CHARGES	600201		30 000.00	
7	6 BANK CHARGES	640401		5.77	
10	6 TR TO BK OF KUKER	640401		15.00	
10	6 BANK CHARGES	603801		5 000.00	18.52
12	6 INTEREST	640401		11.54	
17	6 FUNDS RETURNED UNPAID	770401	7 107.73		4 993.02-
17	6 BANK CHARGES	601301	50 000.00		7 003.29
18	6 TR TO BK OF KOREA	640401		20.00	
18	6 BANK CHARGES	601301		45 000.00	
18	6 TR TO STIGI	640401		11.54	
18	6 BANK CHARGES	602001		40 000.00	
					47 096.71

1012

H

86 12 10 PAKL 6

FROM 01 01 84 TO 04 12 86

4.203 ALBERT HAKIM LEDGER

A/C	NAME & DESCRIPTION	DUC. NO CONTRA	DEBIT	CREDIT	BALANCE
5604001	ENERGY RESOURCES - CREDIT SUISS (SUITE)				
18	6 BANK CHARGES	640401		5 77	
19	6 BANK CHARGES	640401		95.00	18 015.60-
19	6 OFF CALL	5604101			
19	6 INTEREST	770401	50 000 00		14 094 13
20	6 BANK CHARGES	640401	2 109 73		14 084.13
26	6 INTEREST	770401		10.00	16 000.80
30	6 CLOSING ENTRIES	640401	1 916.67		15 874.96
3	7 BANK CHARGES	640401		125.84	
3	7 INTEREST	770401	2 062.50	5.91	
3	7 BANK CHARGES	640401		20.00	
3	7 CASH WITHDRAWAL	600201		420.17	
3	7 CASH WITHDRAWAL	600301		210.08	
3	7 TR TO FIRST AMERICAN BK.	999901		25 000.00	7 718 70-
5	7 TR TO AH THRU RNB	600201		20 050.00	
5	7 BANK CHARGES	640401		5.91	
5	7 TR FRM BARCLAYS BANK	700001	549 918.65		522 144.04
10	7 TR TO K. PHILLIPS	602201		4 000.00	
10	7 BANK CHARGES	640401		25.91	
10	7 INTEREST	770401	2 078.13		520 196.26
11	7 ON CALL	5604101		350 000.00	
11	7 TR TO BCO PORTUGUES	603201		145 352.00	
11	7 BANK CHARGES	640401		5.91	24 838 35
15	7 TR TO STIGI THRU RNB	602001		20 100.00	
15	7 CASH WITHDRAWAL	600201		20 300.00	
15	7 BANK CHARGES	640401		5.91	
15	7 OFF CALL	5604101			34 432.44
16	7 CHQ R. QUINTERO	600401	50 000.00	7 819.00	
16	7 BANK CHARGES	640401		2.94	
16	7 WITHDRAWAL US\$ NOTES AH	600201		2 500.00	
16	7 WITHDRAWAL US\$ NOTES RVS	600301		2 500.00	
16	7 BANK CHARGES	640401		2 15	
16	7 WITHDRAWAL US\$ NOTES RW	600401		50 000.00	
16	7 WITHDRAWAL US\$ NOTES	999901		206 090.35	234 482 00-
17	7 INTEREST	770401	2 473 96		232 008 04-
18	7 OFF CALL	5604101	250 000 00		
18	7 TR FRM SBS GENEVA	700601	950 000 00		

1013 H

A/C.	NAME & DESCRIPTION	DOC NO	CONTRA	(SUITE)	DÉBIT	CREDIT	BALANCE
5604001	ENERGY RESOURCES - CREDIT SUISS						
18	7 BANK CHARGES		640401			85 11	967 906.85
19	7 PMT INV. CIF. DE SEKV. FID		640601			8 000 00	
19	7 CASH WITHDRAWAL		600301			35 00	
19	7 BANK CHARGES		640401			200 000 00	
19	7 TRANSFER TO SBS GVA		600601			1.97	752 869.88
19	7 TRANSFER TO SBS GVA		640401			75 000 00	
22	7 TR TO LOS GATOS		600201			5.91	677 863.97
22	7 BANK CHARGES		640401			580 853.21	
23	7 TR TO UBS FRIBOURG		603201			1.97	97 008.79
23	7 BANK CHARGES		640401				
24	7 OFF CALL		5604101				
24	7 TR TO UBS FRIBOURG		603201			1 392 474.84	
24	7 BANK CHARGES		640401			1.97	
24	7 INTEREST		770401				
31	7 INTEREST		770401			2 196.87	573 271.15-
2	8 OFF CALL		5604101			1 175.83	572 095.32-
7	8 INTEREST		770401			575 000.00	2 904.68
14	8 INTEREST		770401			591.07	3 495.75
16	8 CASH WITHDRAWAL		600301			357.71	3 853.46
16	8 BANK CHARGES		640401				
21	8 INTEREST		770401				
28	8 INTEREST		770401				
3	9 TR FOR STIGI		602001				
4	9 INTEREST		770401				
6	9 PMT INV. HOTEL INTERCON.		640201				
11	9 INTEREST		770401				
17	9 TRANSFER		5600001				
17	9 OFF CALL		5604101				
17	9 INTEREST		770401				
30	9 TR TO ENERGY		5600001				
30	9 CLOSING ENTRIES		640401				
					720 000 00	1 392 474.84	
					2 196.87	1.97	
					1 175.83		
					575 000.00		
					591.07		
					357.71		
						2 943.46	
						12.50	
					353.28		897.50
					353.28		1 240.78
					25 920.55		1 604.06
					353.28		27 524.61
						2 932.33	27 877.89
					362.14		26 945.56
						279 945.56	25 307.70
					255 000 00		675.58
					313.44		
					984.12		0 00
					1 659.70		

20 847 143 75 20 847 143 75

TRANSACT & BALANCE

A/C	NAME & DESCRIPTION	DUC. NO CONTRA	US\$	DEBIT	CREDIT	BALANCE
5604101	***** CALL DEPOSIT - ENERGY RESOURCES					
31	1 ON CALL	5604001		275 000.00		275 000.00
85						
19	2 ON CALL	5604001				365 000.00
28	2 OFF CALL	5604001		90 000.00		315 000.00
8	3 ON CALL	5604001			50 000.00	815 000.00
12	3 OFF CALL	5604001		500 000.00		615 000.00
19	3 ON CALL	5604001			200 000.00	850 000.00
20	3 OFF CALL	5604001		235 000.00		850 000.00
27	3 OFF CALL	5604001			300 000.00	550 000.00
4	4 ON CALL	5604001		50 000.00		500 000.00
10	4 OFF CALL	5604001		2 700 000.00		3 200 000.00
12	4 ON CALL	5604001			150 000.00	3 050 000.00
16	4 OFF CALL	5604001		1 700 000.00		4 750 000.00
17	4 OFF CALL	5604001			50 000.00	4 700 000.00
23	4 OFF CALL	5604001			200 000.00	4 500 000.00
24	4 ON CALL	5604001			1 550 000.00	2 950 000.00
29	4 OFF CALL	5604001		1 200 000.00		4 150 000.00
6	5 OFF CALL	5604001			50 000.00	4 100 000.00
7	5 ON CALL	5604001			500 000.00	1 600 000.00
8	5 OFF CALL	5604001		250 000.00		1 850 000.00
9	5 OFF CALL	5604001			60 000.00	1 790 000.00
13	5 OFF CALL	5604001			140 000.00	1 650 000.00
13	5 ON CALL	5604001			1 650 000.00	1 650 000.00
15	5 OFF CALL	5604001			150 000.00	1 500 000.00
21	5 OFF CALL	5604001			250 000.00	1 250 000.00
24	5 ON CALL	5604001			100 000.00	1 350 000.00
30	5 OFF CALL	5604001		100 000.00		1 250 000.00
4	6 ON CALL	5604001			300 000.00	1 550 000.00
19	6 OFF CALL	5604001			50 000.00	1 500 000.00
11	7 ON CALL	5604001			350 000.00	1 850 000.00
15	7 OFF CALL	5604001			50 000.00	1 800 000.00
18	7 OFF CALL	5604001			250 000.00	1 550 000.00
24	7 OFF CALL	5604001			720 000.00	830 000.00
2	8 OFF CALL	5604001			575 000.00	255 000.00

H 1015

4203 ALBERT FRANK
 LEDGER

FROM 01 01 84 TO 04 12 86

86 12 10 PAGE 2

A/C	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
5604101	CALL DEPOSIT - ENERGY RESOURCES	(SUITE)			0 00
17 9	OFF CALL	5604001		255 000.00	0 00
TRANSACT. & BALANCE			9 350 000.00	9 350 000 00	0.00

H 1016

4203 ALBERT HAWKIN

1 FROM 01 01 84 TO 04 12 86

LEDGER

86 12 10 PAGE: 1

A/C. NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
5605001 ***** ENERGY RESOURCES - S B S				
	US\$			
23 4 TRANSFER	5604001	1 560 000.00		1 560 000.00
85				
25 4 CHECK REMITTANCE	5604001	10 000.00	10 000.00	1 570 000.00
24 5 TRANSFER	600601		1 560 000.00	1 560 000.00
25 5 TRANSFER	300501		3 600.00	3 600.00
18 10 TR. FROM ENERGY SBS	5600001		3 394.58	205.42
25 10 TR. FROM ENERGY SBS	5600001		200.00	
25 10 BANK CHARGES	640601		5.42	0.00

TRANSACT & BALANCE		1 570 000.00	1 570 000.00	0.00

1017 H

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5606001	***** ALBON VALUES				
5	3 TO CALL	5606101		3 000 000.00	3 000 000.00-
86				15 000.00	15 000.00-
6	3 AGIOS	640401			10 416.66-
6	3 DEPOSIT (5605830.- SFR)	999901	3 000 000.00		11 582.16-
13	3 INTEREST	770601	4 583.34		7 588.67
27	3 DEBIT INTEREST	640401		965.50	
16	4 INTEREST	770601	18 770.83		
17	4 CIE SER. FID. INV. 9569 SFR 97000	640101		2 673.80	
17	4 DEPEX	603201		161 000.00	
17	4 BANK CHARGES	640401		2.60	
17	4 SFR 136734.90 AH	600201		72 580.00	
17	4 BANK CHARGES	640401		364.72	
17	4 TRANSFER TO HYDE PARK SQUARE	5608001		199 000.00	
17	4 BANK CHARGES	640401		1 000.00	
17	4 FROM CALL	5606101	720 000.00		
17	4 INTEREST	770601	500.00		
17	4 CSF INV. LTD	600201		15 000.00	
17	4 BANK CHARGES	640401		75.00	
17	4 CSF INV LTD WITH CASH	999901		450 000.00	
17	4 BANK CHARGES	640401		120.03	173 927.48-
18	4 ACE	604101		57 022.03	
18	4 BANK CHARGES	640401		26.04	230 975.55-
21	4 TDB GENEVE BTC	606001		20 000.00	
22	4 FROM CALL	5606101	275 000.00		
22	4 INTEREST	770601	1 900.00		
28	4 MENO EYTAN	640401		185 000.00	
28	4 BANK CHARGES	640401		2.60	
28	4 FROM CALL	5606101		28 111.00	
28	4 CIE SERV FID. CHQ RV5	600301		39.00	
28	4 CIE SERV FID. BANK CHARGES	640401		7.81	
28	4 BANK CHARGES	640401		4 975.00	
28	4 CASH PASSEPORT USA	600201		25.00	
28	4 AGIOS	640401			34 769.04
28	4 INTEREST	770601	2 005.00		

4203	ALBERT HAKIM LEDGER	FROM 01 01 84 TO 04 12 86	86 12 10 PINGE 2
A/C.	NAME & DESCRIPTION	DOC. NO CONTRA	BALANCE
5606001	ALBON VALUES	(SUITE)	
29	4 CHECK QUINTERO	600401	5 000.00
29	4 BANK CHARGES	640401	3.89
30	4 ARTINO JOSE CRUZ PORRAZ	604301	7 000.00
30	4 BANK CHARGES	640401	15.63
30	4 COMMERCIAL TULIN	600901	10 000.00
30	4 BANK CHARGES	640401	15.63
1	5 TRANSFER TO DOLLY	5603001	40 000.00
1	5 BANK CHARGES	640401	200.00
1	5 GOULDENS CLIENT	604401	110 000.00
1	5 BANK CHARGES	640401	8.38
1	5 CASH ERIC ZUCKER	640201	500.00
2	5 BANK CHARGES	640401	8.12
2	5 TRANSFER	999901	2 276.80
5	5 NORTH TRUST BANK MOTAOLA INC	604501	100 000.00
5	5 BANK CHARGES	640401	8.38
5	5 CIE SERV. FID STGI	602001	15 000.00
5	5 CIE SERV. FID. BANK CHARGES	640401	255 465.79-
6	5 FROM CALL	5606101	200.00
6	5 INTEREST	770601	180 000.00
7	5 FROM CALL	5606101	2 373.33
7	5 BANK CHARGES	640401	100 000.00
7	5 INTEREST	770601	73 092.46-
12	5 FROM ALBON	770601	1 545.23
12	5 FROM CALL	5603001	307 500.00
12	5 INTEREST	5606101	25 628.98
13	5 RE TRIP OF 05/13/86	770601	19 378 98
13	5 BANK CHARGES	640201	3 000.00
13	5 RE TRIP OF 05/13/86	640401	15.00
13	5 CIE SERV FID	640201	2 793.30
14	5 TOB CODELIS	640301	500.00
15	5 FROM CALL	604601	101 500.00
15	5 CASH GEN. EXP. RUS/AH	5606101	120 000.00
15	5 BILL / GREG / AVC	640201	2 777.78
15	5 INTEREST	770601	50 150.00
16	5 TRI AMERICAN FARMS	604001	600.00
16	5 BANK CHARGES	640401	150 000.00
			75 / 10-
			150 65 48-
			8.38

9
101
101
=

A/C.	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5606001	ALBON VALUES				
20	5 CIE SERV. FID	8		61 813 00	
20	5 TRANSFER TO UDALL	5609001		350 000 00	
20	5 TRANSFER TO HYDE PARK	5607001		50 000 00	
20	5 TRANSFER TO TOYCO	5606101		50 000 00	
20	5 FROM CALL	640401	550 000 00		
20	5 BANK CHARGES	999901		8 38	139 076 86-
20	5 TRANSFER	600101		26 490 00	
21	3 SAT RE FUEL	640401		40 000 00	
21	5 BANK CHARGES	600101		2 23	
21	5 SAT RE JET STAR	640401		50 000 00	
21	5 BANK CHARGES	600101		2 23	
21	5 SAT RE L100	600101		55 000 00	
21	5 BANK CHARGES	640401		2 23	
21	5 FROM CALL	5606101	200 000 00		
21	5 INTEREST	770601	988 33		
22	5 FROM ALBON	5603001		50 000 00	83 095 22-
22	5 FROM CALL	5606101			
22	5 INTEREST	770601	50 000 00		
23	5 FROM GULF MARKETING	5602001		55 00	83 040 22-
26	5 FROM ALBON	5603001	119 100 00		56 059 78
28	5 RT CALL	5606101		25 000 00	11 059 78
28	5 TO CALL	5606101	280 000 00		
28	5 INTEREST	770601		250 000 00	41 359 78
2	6 TR TO TOYCO	5607001	280 00		222 551 22-
4	6 OFF CALL	5606101		263 891 00	
4	6 BANK CHARGES	640401		16 04	
4	6 BANK CHARGES	640401		16 04	
4	6 BANK CHARGES	640401		5 76	
4	6 INTEREST	770601	291 66		27 704 60
6	6 COMMERCIAL TULIN	600901		10 000 00	
6	6 ARTURO JUSU CHUZ IARRIAS	206301		7 000 00	
6	6 CHECK RAFAEL BUINTILHO	600401		5 000 00	5 704 60
7	6 KLINIC BUCHINGER UM 5000	640201		2 294 10	
7	6 BANK CHARGES	640401		8 40	3 402 10
18	6 TAA	602701		200 000 00	
18	6 TRANSFER HYDE TO ALBON	5606001	5 350 000 00		

(SUITE)

H 1020

FROM 01 01 84 TO 04 12 86

203 ALBERT HAKIM
LEDGER

N/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
1506001	ALBON VALUES	(SUITE)			
18	6 TRANSFER ALBON TO TOYCO	5607001		3 000 000 00	
18	6 DEPOSIT AT 18/07/86	5606201		100 000 00	
18	6 CIE SERV. FID. MONTERO	601901		48 524 83	
18	6 BANK CHARGES	640401		8 02	4 861 23
18	6 BANK CHARGES	640401		8 02	
20	6 SAT	600101		25 000 00	
20	6 FROM HYDE PARK	5608001	30 000 00		
20	6 BANK CHARGES	640401		8 02	
20	6 RETURN PMT TAA 180686	602701	200 000 00		209 853 21
30	6 CLOSING ENTRIES	640201			208 477 01
1	7 CSF CASH WITHDR RE ERIC ZUCKER	*			
1	7 CHG 10'000 DM BUCHINGER PAT.	640201		1 375 40	
2	7 RBT CHG BUCHINGER PAT.	*		1 000 00	
9	7 BUCHINGER PAT. DM 6000	*		4 610 63	202 867 18
14	7 TO ALBON	640201	4 610 63		207 477 81
14	7 ON CALL	640201			204 699 52
18	7 REIMBT FTD	700601	70 000 00		
18	7 INTEREST	700601	100 000 00		
18	7 FTD 08/18/86 @ 6 25%	5606201	520 83		
18	7 INTEREST	700601		100 000 00	4 699 52
22	7 ON CALL	700601	495 13		
22	7 FROM HYDE PARK	5606101		150 000 00	5 715 48
22	7 TOM GREEN	5608001		150 000 00	
22	7 INTEREST	605301		50 000 00	
22	7 BANK CHARGES	700601	253 13		
23	7 TO DOLBY	640401		5 88	44 037 27-
23	7 TO HYDE PARK	5608001		50 000 00	
23	7 INTEREST	700601		50 000 00	143 971 64-
24	7 OFF CALL	5606101			
24	7 INTEREST	700601	65 63		
24	7 INTELL INTRUCUMINTI	640701	90 00		
24	7 EAST INC	603701		7 052 88	
24	7 JANIS. SCHUELKE. AND WECHSLER	640601		87 800 30	
24	7 INTEREST	700601		10 000 00	
24	7 BANK CHARGES	640401	50 00		
24	7 BANK CHARGES	640401		2 94	
24	7 BANK CHARGES	640401		8 20	

1021

4203 ALBERT HAKIM

FROM 01 01 84 TO 04 12 86

LEDGER

86 12 10 PAQL 5

BALANCE

CREDIT

DEBIT

DOC NO CONTRA

171 235 76
24 764 26--
71 235 76

8 20
200 000 00
10 000 00
15 00
10 000 00
25 00
40 000 00
8 93
5 000 00
25 00
215 94

100 000 00

(SUITE)

040401
5008001
5006201
040401
040401
040201
040401
5003001
040401
040201
040401
040401

1022

H

500001 ALBON VALUES
24 7 BANK CHARGES
25 7 FROM ALBON
18 8 REIMBT FTD
20 8 CSF - DAVCO ASSOCIATES
20 8 CSF - DAVCO ASSOCIATES - RC
20 8 CASH WITHDRAWAL - TC
20 8 BANK CHARGES
21 8 TO DOLLY
21 8 BANK CHARGES
24 9 CASH WITHDRAWAL - TOM CLINES
24 9 BANK CHARGES
30 9 BANK CHARGES TRIM

TRANSACT & BALANCE

10 824 049 51 10 823 103 62

5 945 89

FROM 01 01 86 TO 04 12 86

4203 ALBERT HAKIM LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5606101	***** CALL DEPOSIT - ALBION VALU-S	US\$			
5	3 TO CALL	5606001	3 000 000.00		3 000 000 00
17	4 FROM CALL	5606001		720 000 00	2 280 000 00
22	4 FROM CALL	5606001		275 000 00	2 005 000 00
28	4 FROM CALL	5606001		225 000 00	1 780 000 00
6	5 FROM CALL	5606001		130 000 00	1 600 000 00
7	5 FROM CALL	5606001		100 000 00	1 500 000 00
12	5 FROM CALL	5606001		300 000 00	1 200 000 00
15	5 FROM CALL	5606001		120 000 00	1 080 000 00
20	5 FROM CALL	5606001		200 000 00	530 000 00
21	5 FROM CALL	5606001		50 000 00	280 000 00
22	5 FROM CALL	5606001		280 000 00	0 00
28	5 RT CALL	5606001	250 000 00		250 000 00
4	6 OFF CALL	5606001		250 000 00	0 00
14	7 ON CALL	5606001	270 000 00		270 000 00
22	7 ON CALL	5606001	150 000 00		420 000 00
24	7 OFF CALL	5606001		420 000 00	0 00
			3 670 000 00	3 670 000 00	0 00

H 1023

TRANSACT. & BALANCE

4203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

DOC. NO CONTRA

A/C. NAME & DESCRIPTION

560601 ##### FID DEPOSIT - ALBON VALUES US\$
 18 6 DEPOSIT AT 18/07/86 560601
 86
 18 7 REIMBT FID 560601
 18 7 FTD 08/18/86 @ 6.25% 560601
 18 8 REIMBT FTD 560601

1024 H

TRANSACT. & BALANCE

	DEBIT	CREDIT	BALANCE
	100 000.00		100 000.00
	100 000.00	100 000.00	100 000.00
		100 000.00	0.00
	200 000.00	200 000.00	0.00

86 12 10 PHASE

FROM 01 01 84 TO DA 12 86

ALBERT HAKIM
LEDGER

A/C NAME & DESCRIPTION

5607001 ***** TOYCO SA

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
20 5	TRANSFER TO TOYCO	5606001	50 000 00		
86					
20 5	CIE SERV. FID INV 1192	660101		2 739 73	
20 5	67666 BA	600601		13 150 00	
20 5	BANK CHARGES	640401		2 79	34 107 48
27 5	CASH	600201		10 000 00	
27 5	BANK CHARGES	640401		25 00	24 082 48
2 6	TR TO TOYCO *	5606001	203 891 00		287 973 48
3 6	TR TO CSF INV. RE SCITECH	601301		26 390 00	
3 6	TR TO CSF INV. RE KOREL	601401		79 167 00	
3 6	TR TO CSF INV. RE A H	600201		79 167 00	
3 6	TR TO CSF INV. RE C. TEA	605201		79 167 00	24 082 48
16 6	CHQ. QUINTERO	600401		10 000 00	
16 6	BANK CHARGES	640401		3 88	14 078 60
18 6	TRANSFER ALBON TO TOYCO	5606001	3 000 000 00		14 078 60
18 6	TO CALL A/C	5607101		37 277 00	
20 6	TR TO DEFEX				
20 6	FROM CALL	5607101	50 000 00		26 798 93
20 6	BANK CHARGES	640401			
27 6	OFF CALL	5607101	500 000 00		
27 6	A/C 1837 MONZER ALKASSAR	601801		500 000 00	
27 6	BANK CHARGES	640401		8 02	26 790 91
30 6	CLOSING ENTRIES				
30 6	INTEREST	640401		9 78	
1 7	67666 BA		5 784 72		32 565 85
1 7	FROM CALL	600601			
1 7	SOUTHERN AIR TRANSPORT	600101	850 000 00		
1 7	OFF CALL	5607101	200 000 00		
1 7	BANK CHARGES	640401			
3 7	BANK CHARGES	640401		2 67	37 563 18
31 7	INTEREST	770701		8 20	37 554 98
22 8	OFF CALL	5607101	7 465 46		
22 8	TO UDALL	100 000 00			45 020 44
22 8	BANK CHARGES	5609001		100 000 00	
22 8	BANK CHARGES	640401		5 95	

H 1025

4203 ALBERT HARKIN
LEDGER

FROM 01 U1 84 TO 04 12 86

DOC NO CONTRA (SUITE)

1026

H

A/C. NAME & DESCRIPTION

5607001	TOYCO SA	600901			
22	8 COMERCIAL TULIN SA	604301			
22	8 ARTURO JOSE CRUZ PARRAS	600401			
22	8 CHECK RAFAEL GUINTERO	5607101	1 300 000 U0		1 014 49
25	8 OFF CALL	605701			
25	8 FORWAY INDUSTRIES	604001			
25	8 BANK CHARGES	604001		8 93	
25	8 BANK CHARGES	604001		17 86	
25	8 INTEREST	770701	5 379.17		
26	8 CASH WITHDRAWAL	640201		9 455.30	1 256 349 01
26	8 CASH WITHDRAWAL	640201		500 00	
26	8 BANK CHARGES	640401		46 70	1 246 349.01
27	8 UBS FRIBOURG - DEFEX	999901		861 327.00	
27	8 BANK CHARGES	640401		2.98	385 019.03
28	8 CASH WITHDRAWAL	640201		1 000.00	384 019.03
1	9 TOB - CSF - RE CASH WITHDRAWAL	640201		51 000 00	
1	9 BANK CHARGES	640401		3 03	333 016.00
3	9 REIMBI CSF - CORP AIR SERVICES	605201		62 018.00	
3	9 TO DOLBY	6053001		50 000.00	
3	9 CHECK TOM GREEN	605301		15 000.00	
3	9 BANK CHARGES	640401		41.09	
3	9 BANK CHARGES	640401		6 15	205 950 76
5	9 Jilia H Lanquar - FARRAJAD	640201		5 000 00	
5	9 CHECK RAFAEL GUINTERO	600501		5 000 00	
5	9 BANK CHARGES	640401		6 13	
5	9 BANK CHARGES	640401		2 42	195 942 21
9	9 COMMERCIAL TULIN	600901		10 000.00	
9	9 ARTURO JOSE CRUZ PARRAS	604301		7 000.00	
9	9 BANK CHARGES	640401		18 18	
9	9 BANK CHARGES	640401		18 18	178 905 85
11	9 TRANSFER TO SAI	600101		50 000.00	
11	9 BANK CHARGES	640401		9 09	
12	9 CHECK TO TOM GREEN	605301		10 000 00	128 896 76
12	9 BANK CHARGES	640401		5 93	
12	9 CSF REIMBT SITGI	602001		15 000 00	
12	9 BANK CHARGES - SERFTU	640401		50 00	

DEBIT

CREDIT

BALANCE

86 12 10 1966

4203 ALBERT HAKIM
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5607001	TOYCO SA				
12	9 BANK CHARGES	640401		9 09	93 831 74
12	9 FAREJAD - Mrs Jila H. Lankarani	640201		10 000 00	
17	9 TO GULF	5602001		1 000 00	
17	9 BANK CHARGES	640401		9 09	92 822 65
18	9 CASH WITHDRAWAL - TOM CLINES	640201		2 000 00	
18	9 BANK CHARGES	640401		10 00	90 812 65
25	9 FROM HYDE PARK	5608001	10 000 00		
25	9 TO SAT	600101		100 000 00	
25	9 BANK CHARGES	640401		9 09	803 56
TRANSACT & BALANCE			6 342 520 35	6 341 716 79	803 56

1027 H

FROM DT 01 86 10 06 12 86

*203 ALBERT HAKIM
LEDGER

A/C. NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

A/C.	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
5607101	***** CALL DEP. - TOYCO SA					
18	6 TO CALL A/C			3 000 000 00		3 000 000 00
86						
20	6 FROM CALL	5607001			50 000 00	2 950 000 00
27	6 OFF CALL	5607001			500 000 00	2 450 000 00
1	7 FROM CALL	5607001			850 000 00	
1	7 OFF CALL	5607001			200 000 00	1 400 000 00
22	8 OFF CALL	5607001			100 000 00	1 300 000 00
25	8 OFF CALL	5607001			1 300 000 00	0 00

TRANSACT. & BALANCE				3 000 000 00	3 000 000 00	0 00

1028 H

4203 IN WART HAKIM
LLUWER
FROM 01 01 84 TO 04 12 86
DUC NO CONTRA

A/C NAME & DESCRIPTION

5607201 ***** FID. DEPOSIT - TOYCO SA US\$

TRANSACT. & BALANCE

DLBIT	CREDIT	BALANCE
0.00	0.00	0.00

H 1029

86 12 10 1

86 12 10 1

86 12 10 1

86 12 10 1

86 12 10 1

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5608001	***** HYDE PARK SQUARE				
17	4 TRANSFER TO HYDE PARK SQUARE	5606001	199 000 00		
86				3 000 00	
17	4 CASH ALBERT HAKIM	640201		15 00	195 985 00
17	4 BANK CHARGES	640401			193 235 00
18	4 CIE SERV FID INV. 1115	640101		180 000 00	10 013 235 00
23	4 DEPOSIT	5608201			
14	5 TRANSFER FROM LAKE	5600001	10 010 000 00		
15	5 JM 601 D 500816	604801		6 500 000 00	
15	5 BANK CHARGES	640401		2 79	3 513 232 21
16	5 TRANSFER FROM LAKE	5600001	5 000 000 00		
16	5 TRANSFER FROM LAKE	5600001	1 200 000 00		
16	5 DN CALL	5608101			
20	5 TRANSFER TO HYDE PARK	5606001	50 000 00		
20	5 CSF INV RE BUTTON	5604901			
20	5 ON CALL	5608101		200 000 00	
21	5 CASH WITHDRAWAL	600201		6 200 000 00	136 767 79-
22	5 OFF CALL	5608101		60 300 00	197 067 79-
22	5 CSF INV. RE SCITECH	601301	100 000 00		
22	5 INTEREST	770801	5 566 68		
22	5 CSF INV. 1238 (AEROLEASING)	600501		33 471 50	
22	5 CSF COMMISSION	640401		155 50	
23	5 TR TO SBS GVA	600601		200 000 00	
23	5 BANK CHARGES	640401		2 79	
23	5 TR TO SAT	600101		410 000 00	
23	5 BANK CHARGES	640401		8 38	
23	5 CIE DE SERV FID RE AH	600201		500 000 00	
23	5 TR TO SBS GVA	600601		8 38	
23	5 BANK CHARGES	640401		200 000 00	
23	5 CASH RE GEN EXP. SFR 4000 -	640401		2 79	
23	5 FROM DEPOSIT A/C	5608701	100 000 00		
23	5 INTEREST	770801	900 00		
23	5 FROM CALL	5608101	1 100 000 00		256 395 22-
27	5 FROM CALL	5608101	250 000 00		

1034

=

A/C.	NAME & DESCRIPTION	DUC NO CONTRA	DEBIT	CREDIT	BALANCE
5608001	HYDE PARK SQUARE				
27	5 CIE DE SERV FID REIMBT ADC	640201		26 653 50	33 065 22-
27	5 BANK CHARGES	640401		16 50	
28	5 SAT	600101		200 000 00	
28	5 BANK CHARGES	640401		8 38	
28	5 STIGI	602001		43 847 90	
28	5 BANK CHARGES	640401		2 23	
28	5 CASH WITH GEN EXP.	640201		1 604 28	
28	5 FROM CALL	5608101	200 000 00		
28	5 CASH SFR 50000 .-	890001		26 525 20	96 411 54-
28	5 INTEREST	70801	8 641 67		
29	5 FROM CALL	5608101	50 000 00		
29	5 INTEREST	70801	1 341 66		45 069 88-
3	6 OFF CALL	5608101	50 000 00		
3	6 CASH WITHDRAWAL	640201		1 000 00	3 930 12
4	6 OFF CALL	5608101	50 000 00		
4	6 INTEREST	70801	7 991 66		
5	6 FROM HYDE PARK	5603001		50 000 00	61 921 78
6	6 FROM CALL	5608101	100 000 00		11 921 78
6	6 CIE SERV FID REHOLISING	600501		76 488 00	
6	6 CIE SERV FID FRAIS	640401		112 00	
6	6 INTEREST	70801	2 633 34		37 955 12
18	6 TRANSFER HYDE TO ALBON	5606001		3 350 000 00	
18	6 SAT	600101		242 000 00	
18	6 FROM CALL	5608101	5 800 000 00		
18	6 CSF A/C 11 CASH	4999001		2 000 000 00	
18	6 CSF A/C 111 CASH	4999001		200 000 00	
18	6 COMMISSION	640401		5 500 00	
18	6 BANK CHARGES	640401		8 02	
18	6 INTEREST	70801	15 600 00		56 047 10
20	6 FROM HYDE PARK	5606001		30 000 00	26 047 10
24	6 OFF CALL	5608101	50 000 00		
24	6 TO UDALL	5609001		40 000 00	
24	6 INTEREST	70801	2 000 00		38 047 10
27	6 OFF CALL	5608101	50 000 00		
27	6 TO UDALL	5609001		60 000 00	
27	6 INTEREST	70801	975 00		29 022 10

(SUITE)

1031 H

DOC NO CONTRA

(SUITE)

A/C NAME & DESCRIPTION

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5608001	HYDE PARK SQUARE				
30	6 CHQ QUINTERO	900401		5 000.00	
30	6 COM TULIN	600901		10 000.00	
30	6 ARTURO JOSE CRUZ PORRAS	604301		7 000.00	
30	6 OFF CALL	5608101			
30	6 BANK CHARGES	640401	50 000.00	3.93	
30	6 CLOSING ENTRIES	640401		2 230.61	54 787.56
2	7 TO UDALL	5609001		25 000.00	
2	7 BANK CHARGES	640401		27.32	
2	7 BANK CHARGES	640401		27.32	
7	7 INTEREST	770801			
7	7 EAST INC.	640201	1 583.34		31 316.26
7	7 FARNEJAD (JILA H. LAKARANI)	640201		61 304.12	
7	7 OFF CALL	5602001	80 000.00	2 500.00	
7	7 TO UDALL	5602001		35 000.00	
7	7 BANK CHARGES	640401		8.20	
7	7 BANK CHARGES	640401		8.20	
7	7 INTEREST	770801			
10	7 FROM HYDE PARK	5603001	1 541.67	5 000.00	14 037.41
14	7 FROM CALL	5608101	70 000.00		7 037.41
14	7 TO ALBON	5606001		70 000.00	
14	7 CASH WITHDRAWAL	4999001		10 000.00	
14	7 BANK CHARGES	640401		25.00	
14	7 BANK CHARGES	640401		25.00	
14	7 INTEREST	770801	2 065.00		1 052.41
15	7 OFF CALL	5608101	70 000.00	70 000.00	
15	7 TO DOLLY	5603001			
15	7 INTEREST	770801	283.33		1 335.74
16	7 OFF CALL	5608101	880 000.00		
16	7 67466 BA	600501		881 987.50	
16	7 TO DOLLY	5603001		5 000.00	
16	7 BANK CHARGES	640401		2.73	
16	7 CHECK AERO CONTRACTORS LTD	605001		45 392.00	
16	7 BANK CHARGES	640401		5.78	
18	7 TO UDALL	5609001		5 000.00	51 052.27-
18	7 FROM CALL	5608101	100 000.00		
18	7 BANK CHARGES	640401		11.56	

1032 H

ALBERT HAKIM LEDGER

FROM 01 01 84 TO 04 12 86

4203

A/C	NAME & DESCRIPTION	DOC NU CONTRA	DEBIT	CREDIT	BALANCE
5608001	HYDE PARK SQUARE				
18	7 CASH WITHDRAWAL	600001		310 000 00	
18	7 BANK CHARGES	640401		1 149 94	
18	7 CHD ALBERT C HANSEN	600001		125 000 00	
18	7 CHD ASHER MARKO	600001		125 000 00	
18	7 CSF INV 1322/1324 SFR 32567	640201		18 824 86	556 038 63-
22	7 FROM CALL	5608101	650 000 00		
22	7 INTEREST	770001	271 67		
22	7 FROM HYDE PARK	5606001		150 000 00	
22	7 INTEREST	770801	397 22		55 569 74-
23	7 TO HYDE PARK	5606001	50 000 00		14 630 26
24	7 INTEREST	770801	250 00		14 880 26
25	7 FROM ALISON	5606001	200 000 00		
25	7 TO UDALL	5609001		4 000 00	210 880 26
28	7 MEYND EYLAN	604201		196 230 00	
28	7 BANK CHARGES	640401		2 73	14 627 53
30	7 CASH WITHDRAWAL - ERIC ZUCKER	640201		1 000 00	13 627 53
24	9 CHECK RAFAEL GUNTHERO	600401		10 000 00	
24	9 BANK CHARGES	640401		6 09	
24	9 CASH DEPOSIT	700001	1 200 000 00		1 203 627 44
25	9 FROM HYDE PARK	5607001		10 000 00	
25	9 CHECK ACL	605801		5 729 68	
25	9 ON CALL	5608101		1 000 000 00	
25	9 BANK CHARGES	640401		6 09	167 885 67
26	9 TRANSFER TO LAKE RESOURCLS	5600001		15 000 00	
26	9 TRANSFER TO UDALL RESLACH	5609001		140 000 00	
29	9 BANK CHARGES	640401		3 03	32 885 67
30	9 TUB REIMBT CASH WITHDRA. AH	640201		51 000 00	
30	9 CASH WITHDRAWAL ERIC ZUCKER	640401		1 000 00	32 882 64
30	9 BANK CHARGES TRIM	640401		692 05	
1	10 OFF CALL	5608101	50 000 00		19 809 41-
2	10 RAFAEL GUNTHERO CHECK	600401		5 000 00	30 190 59
3	10 BANK CHARGES	640401		6 13	25 184 46
3	10 FROM CALL	5608101	500 000 00		
3	10 REIMBURSEMENT CIE SERV FID CASH	4999001		250 000 00	
3	10 REIMBURSEMENT CIE SERV FID STGT	602001		25 000 00	
3	10 REIMBURSEMENT CIE SERV FID BK CH	640401		100 00	

(SUITE)

102

H

3 10 REIMBURSEMENT CIE SERV FID CASH
3 10 REIMBURSEMENT CIE SERV FID STGT
3 10 REIMBURSEMENT CIE SERV FID BK CH

A/C.	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
	(SUITE)				
5	10 INT ON CALL	770801			50 507 37
6	10 COMMERCIAL TULIN	600901	422 91	10 000 00	
6	10 ARTURO JOSE CRUZ PORRAS	604301		7 000 00	
6	10 TOB GENEVE STC CORP.	606001		30 000 00	
6	10 BANK CHARGES	640401		8 18	
6	10 BANK CHARGES	640401		8 18	
6	10 BANK CHARGES	640401		9 09	
6	10 BANK CHARGES COMPLT	640401		10 00	
6	10 BANK CHARGES COMPLT	640401		10 00	
8	10 JILA H. LANKARINI	640201		5 740 00	
8	10 CIE SERV FID. INV. ENERGY SFR 3000	640101		1 872 07	
8	10 CIE SERV FID. AEROLEASING SFR 874	600501		54 552 26	
8	10 BANK CHARGES	640401		9 09	
8	10 FROM CALL	5608101	100 000 00		41 788 50
10	10 INTEREST ON CALL	770801	765 62		42 054 12
14	10 CONSULAR	640201		2 400 00	
14	10 BANK CHARGES	640401		9 09	
14	10 REIMBURSEMENT CSF	602001	15 000 00		
14	10 REIMBURSEMENT CSF	640401	10 00		54 655 03
15	10 CIE SERV. FID. REMBT CASH AH	640201		2 000 00	
15	10 BANK CHARGES	640401		30 00	52 625 03
17	10 INTEREST	770801	548 09		53 173 12
20	10 FROM CALL	5608101	250 000 00		
20	10 TO MEMO EYAN	604201		251 000 00	52 170 09
20	10 BANK CHARGES	640401		3 03	
22	10 C.S.F. REMBT AEROLEASING SFR 3000	600501		19 065 42	
22	10 C.S.F. REMBT PRELEVU CASH	640201		2 000 00	
22	10 BANK CHARGES	640401		50 00	
22	10 CHECK TOM GREEN	605301		20 000 00	
22	10 BANK CHARGES	640401		6 18	11 048 49
27	10 WITHDRAWAL CASH ROBERTI DUTILON	640201		40 000 00	
27	10 CIE SERV. FID. REMBT CASH AH	640201		51 000 00	
27	10 BANK CHARGES	640401		200 00	
27	10 SEAFID REMBT SFR 703 AVIION FRANK	640201		420 96	
27	10 HAEFELIN - UBS	605901	2 037 000 00		2 117 572 47-
28	10 TRANSFER TO DOLLY	5603001	10 000 00		

4203 ALBERT HAKIM
LEDGER

A/C	NAME & DESCRIPTION	DOC NU CONTRA	DEBIT	CREDIT	BALANCE
5608001	HYDE PARK SQUARE				
28 10	BANK CHARGES	6404-01		3 03	
28 10	WITHDRAWAL	640201		6 000 00	
28 10	BANK CHARGES	6404-01		30 00	2 133 605 50-
29 10	FROM CALL	5608101	300 000 00		
29 10	BANK CHARGES	6404-01		3 03	
29 10	INTEREST ON CALL	770801	4 05 72		
29 10	CHECK DEUTSCHE BK FRANCKE	700001	3 600 000 00		
29 10	BANK CHARGES	6404-01		66 93	
29 10	INTEREST	770801	213 55		1 766 943 81
3 11	TO CALL	5608101		1 700 000 00	
3 11	SERFID REIMBT STTGI	602001		50 000 00	
3 11	BANK CHARGES	6404-01		50 00	
3 11	SERFID INV 1421 + 60 SFR	560201		338 37	
3 11	RAFAEL QUINTERO	6004-01		5 000 00	
3 11	BANK CHARGES	6404-01		5 87	11 549 57
5 11	COMMERCIAL TULIN	6009-01	10 000 00		
5 11	BANK CHARGES	6404-01		30 12	
5 11	ARTURO JOSE CRUZ PORRAS	604301	7 000 00		
5 11	BANK CHARGES	6404-01		30 12	
5 11	WITHDRAWAL	640201	10 000 00		
5 11	BANK CHARGES	6404-01		50 00	
5 11	WITHDRAWAL SFR 2000	640201		1 176 47	1 6 737 14-
6 11	FROM CALL	5608101	50 000 00		
6 11	FARNEJAD - J H LANKARANI	640201		10 000 00	
6 11	BANK CHARGES	6404-01		9 06	
6 11	WITHDRAWAL SFR 8000	640201		4 371 53	16 582 29
11 11	CSF INVEST - RE C TEA	4999001		30 000 00	11 417 71
12 11	FROM CALL	5608101	300 000 00		
12 11	CSF INVEST RE FORWAY	605701		260 000 00	
12 11	TRANSFER TO UDALL	5609001		5 000 00	23 582 29
13 11	REIMBT SERFID SFR 201	640201		123 49	23 458 80
15 11	TRANSFER TO HYUC PARK	5609001	2 899 01		26 357 81
18 11	FROM CALL	5608101	50 000 00		
18 11	REIMBT SERFID STTGI	602001		50 000 00	
18 11	BANK CHARGES	6404-01		15 00	
18 11	REIMBURSEMENT CSF INV. STTGI	602001		500 00	

(SUITE)

4203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

A/C. NAME & DESCRIPTION

- 5608001 HYDE PARK SQUARE
- 18 11 BANK CHARGES
- 21 11 TOB GE - STC
- 24 11 RETURN TRANSF. CONSULAR
- 25 11 LILLICK MCROSE & CHARLES
- 25 11 BC
- 25 11 BANK CHARGES
- 25 11 CHECK STTGI
- 25 11 BANK CHARGES
- 26 11 FROM CALL
- 26 11 REIMBT SERFID SFR 10195
- 28 11 FROM CALL
- 28 11 SHER AND GARDINER
- 28 11 TRANSFER TO DOLY
- 28 11 BANK CHARGES
- 28 11 REIMBT SERFID SFR 168
- 30 11 INTEREST
- 4 12 BANK CHARGES

(SUITE)

- 640401
- 606001
- 640201
- 640601
- 640401
- 640401
- 602001
- 640401
- 5608101
- 640201
- 5608101
- 606101
- 5603001
- 640401
- 640201
- 770801
- 640401

H 1036

DEBIT	CREDIT	BALANCE
	20.00	25 822.81
	25 000.00	822.81
2 400 00	868 00	5 222.81
	5.95	
	3.01	
50 000.00	50 00	
50 000 00		47 704.15-
50 000.00	6 216.46	5 920.61-
	20 000.00	
	15 000 00	
	9 04	10 969.45
5 466.70	100.90	16 436.15
	9.15	16 427 00

TRANSACT. & BALANCE

50 000.00- 32 959 173.84 32 942 746.84

4.203 ALBERT PARKIN
LEDGER

TRUMP 01 84 TO 04 12 86

H/C. NAME & DESCRIPTION

DOC NO CONTRA

DEBIT

CREDIT

BALANCE

H/C. NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5608101 000000 CALL DEPOSIT - HYDE PARK	USA			
16 5 ON CALL	5608001	3 500 000.00		3 500 000.00
86				
20 5 ON CALL	5608001		9 700 000.00	9 700 000.00
22 5 OFF CALL	5608001	6 200 000.00		9 600 000.00
23 5 FROM CALL	5608001		100 000.00	9 600 000.00
27 5 FROM CALL	5608001	1	8 500 000.00	8 500 000.00
28 5 FROM CALL	5608001		250 000.00	8 250 000.00
29 5 FROM CALL	5608001		200 000.00	8 050 000.00
3 6 OFF CALL	5608001		50 000.00	8 000 000.00
4 6 OFF CALL	5608001		50 000.00	7 950 000.00
6 6 FROM CALL	5608001		100 000.00	7 800 000.00
18 6 FROM CALL	5608001	5	800 000.00	2 000 000.00
24 6 OFF CALL	5608001		50 000.00	1 950 000.00
27 6 OFF CALL	5608001		50 000.00	1 900 000.00
30 6 OFF CALL	5608001		50 000.00	1 850 000.00
7 7 OFF CALL	5608001		80 000.00	1 770 000.00
14 7 FROM CALL	5608001		70 000.00	1 700 000.00
15 7 OFF CALL	5608001		70 000.00	1 630 000.00
16 7 OFF CALL	5608001		80 000.00	750 000.00
18 7 FROM CALL	5608001		100 000.00	650 000.00
22 7 FROM CALL	5608001		650 000.00	0.00
25 9 ON CALL	5608001	1 000 000.00		1 000 000.00
1 10 OFF CALL	5608001		50 000.00	950 000.00
3 10 FROM CALL	5608001		300 000.00	650 000.00
8 10 FROM CALL	5608001		100 000.00	550 000.00
20 10 FROM CALL	5608001		250 000.00	300 000.00
29 10 FROM CALL	5608001		300 000.00	0.00
3 11 TO CALL	5608001	1 700 000.00		1 700 000.00
6 11 FROM CALL	5608001		50 000.00	1 650 000.00
12 11 FROM CALL	5608001		300 000.00	1 350 000.00
18 11 FROM CALL	5608001		50 000.00	1 000 000.00
26 11 FROM CALL	5608001		50 000.00	1 250 000.00
28 11 FROM CALL	5608001		50 000.00	1 200 000.00

1037 H

4203 ALBERT MAKIM
LEDGER

A/C NAME & DESCRIPTION

5608101 CALL DEPOSIT - HYDE PARK

TRANSACT & BALANCE

86 12 10 PAGE 2

PIKOR 01 01 84 10 04 12 86

DOC NO CONTINA

(SUITE)

H 1038

DEBIT CREDIT BALANCE

12 400 000 00 11 200 000 00 1 200 000 00

4203 ALBERT HAKIM
 LEDGER
 FROM 01 01 84 TO 04 12 86
 DUC NO CONTRA

H/C	NAME & DESCRIPTION	DEBIT	CREDIT	BALANCE
0000201	000000 FID DEPOSIT - HYUE PARK US\$			
23 4	DEPOSIT	180 000 00		180 000 00
86				
23 5	FROM DEPOSIT H/C		180 000 00	0.00
		180 000.00	180 000.00	0 00

TRANSACT. & BALANCE

1039 H

FROM 01 01 84 TO 04 12 86

4203 ALBERT MAKIM LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
010101	***** UDALL RESEARCH					
17 4	SAT				200 000 00	
17 4	BANK CHARGES				7.81	
17 4	EAST INC.				100 357.86	
17 4	BANK CHARGES				7.81	
17 4	SHARP GREEN & LANK FORD				294.31	
17 4	BANK CHARGES				3.74	
18 4	FROM LAKE					300 671 55-
18 4	CIE DE SERV FID INV 1134 * 9342			641 775 00		
18 4	CSF - ALERO CONTRACTORS LTD				2 141.90	
18 4	BANK CHARGES				19 635.00	
21 4	SAT				95.00	
21 4	BANK CHARGES				120 000.00	
23 4	REIMBT CIE DE SERV FID INV 9342				7.81	
23 4	FID DEPOSIT			1 070 95		
20 5	TRANSFER TO UDALL					199 223.76
20 5	EAST INC.					100 000.00
20 5	BANK CHARGES			350 000 00		
20 5	ACE				84 894.58	
20 5	BANK CHARGES				102 411.57	
20 5	ON CALL				27.93	
23 5	REIMBT DEPOSIT				250 000 00	
23 5	INTEREST					12 952 25
23 5	ON CALL					14 452 25
31 5	INTEREST					14 056.24
24 6	TO UDALL			40 000 00		
24 6	TR TO DEFEX				50 750 00	
24 6	BANK CHARGES				2.67	
27 6	TO UDALL					3 303.57
27 6	TR TO CORPORATE ATR SERVICES INC			60 000 00		
27 6	BANK CHARGES				58 000 00	
30 6	STIGI				8 02	
30 6	BANK CHARGES				30 000 00	
30 6	BANK CHARGES				8 02	
30 6	INTEREST			1 786 46		

1040 H

US\$

22 926 01-

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5609001	UDALL RESEARCH					
2	7 TO UDALL	5608001	(SUITE)	25 000 00		2 073.99
7	7 TO UDALL	5608001		35 000.00		
7	7 SAT	600101			11 040.00	
7	7 CSF RE STTGI	602001			21 476.64	
7	7 BANK CHARGES	640401			8.20	
7	7 BANK CHARGES	640401			8.20	
7	7 CLOSING ENTRIES	640401			94.65	4 446.30
14	7 CSF INVOICE WZ TRIP USA	640401			8 599.43	4 153.13-
15	7 CSF REIMBT STGI	602001			30 015.00	34 168.13-
16	7 REIMBT STTGI	602001		30 000.00		4 168.13-
18	7 TO UDALL	5608001		5 000 00		831.87
25	7 TO UDALL	5608001		4 000 00		
25	7 BANK CHARGES	640401			5.46	4 826.41
30	7 COMPANIA DEL OLSAROLLO	605501			3 993.00	
30	7 BANK CHARGES	640401			2.19	
30	7 JR MONTERO	601901		16 204.00		
30	7 BANK CHARGES	640401			8 27.32	
30	7 FARNESAD (MRS JILA H. LAMKARAN1)	640201			8 000.00	
30	7 BANK CHARGES	640401			8.20	
31	7 LILLICK Mc HOSE & CHARLES	640601			4 895.90	23 408.30-
31	7 CASH WITHDRAWAL	640201			40 000.00	
31	7 BANK CHARGES	640401			200.00	
31	7 INTEREST	770901		1 804.69		
1	8 STGI	602001			70 000.00	66 699.51-
1	8 BANK CHARGES	640401			8.20	136 707.71-
4	8 OFF CALL	5609101		70 000.00		
4	8 OFF CALL	5609101		280 000.00		
4	8 INTEREST	770901		219.97		
5	8 BANK CHARGES	640401			2.98	213 512.26
5	8 TDB GENEVE STC	606001			13 000.00	200 509.28
7	8 ED JANNAY	605601			81 433.89	117 075.39
22	8 TO UDALL	5607001		100 000.00		
22	8 SAT	600101			125 000.00	
22	8 EAST INC.	603701			56 000.00	
22	8 CSF REIMBT CHQ RODINETTE	640201			9 000.00	
22	8 CSF CHARGES	640401			15.00	

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5609001	UDALL RESEARCH	(SUITE)			
22	8 BANK CHARGES	640401		8 93	
22	8 BANK CHARGES	640401		8 93	
22	8 CSF REBMT AEROLEASING	600501		21 439 51	7 603 02
23	9 CASH WITHDRAWAL - RVS	640201		7 000 00	
23	9 BANK CHARGES	640401		35 00	568 02
25	9 TR TO ACE	601001		46 892 45	
25	9 CORPORATE AIR SERVICES INC	603201		91 936 66	138 261 09-
26	9 TRANSFER TO UDALL RESEARCH	5608001	140 000 00		
26	9 BANK CHARGES	640401		30 30	
26	9 BANK CHARGES	640401		9 09	1 099 52
30	9 BANK CHARGES TRIM	640401		153 72	1 545 80
8	10 EXECUTIVE TRAVEL SFR 703	640201		435 97	1 109 83
17	10 PRELEVT CASH			5 700 00	
17	10 BANK CHARGES	640401		14 25	4 604 42-
23	10 REIMBURSEMENT CASH	640201	2 525 00		2 079 42-
12	11 TRANSFER TO UDALL	5608001	5 000 00		2 920 58
14	11 BANK CHARGES	640401		21 57	2 899 01
15	11 TRANSFER TO HYDE PARK	5608001		2 899 01	0 00

TRANSACT. & BALANCE

1 894 286 06 1 894 286 06 0 00

86 12 14 1984

4205 ALBERT HARKIN
LEHIGH

1808 01 01 84 10 04 12 86

A/C NAME & DESCRIPTION

BALANCE

A/C	NAME & DESCRIPTION	DOC NO	CONTINU	DEBIT	CREDIT	BALANCE
5609101	000000 CALL DEPOSIT -					250 000 00
	20 5 ON CALL					
	86 5 ON CALL					
	23 8 OFF CALL					
	4 8 OFF CALL					
				250 000 00		250 000 00
				100 000 00	70 000 00	350 000 00
					280 000 00	0 00
				350 000 00	350 000 00	0 00

TRANSACTION & BALANCE

NO
01

UNFALL RESEARCH

5609001

5609001

5609001

5609001

US\$

4203 ALBERT HAKIM
 LEUGER
 FROM 01 01 84 TO 04 12 86
 DOL NO CONTRA

A/C	NAME & DESCRIPTION	DEBIT	CREDIT	BALANCE
5609201	***** FID. DEPOSIT - UDALL RESEARCH US\$			
23 4	FID DEPOSIT 5609001	100 000 00		100 000 00
86			100 000 00	0 00
23 5	REIMBT DEPOSIT 5609001			
		-----	-----	-----
		100 000 00	100 000 00	0 00

TRANSACT & BALANCE

1044 H

4.203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

86 12 10 P/AGE 1

A/C. NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

A/C.	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
5610000	***** STANTECH SERVICES SA		FRS			
28 5	DEPOSIT	690100	26 525 20*	50 000.00		50 000.00
86		640100			1 050.00	48 950.00
23 6	LOYER CSF	640400			50.00	48 900.00
7	BANK CHARGES	640100			1 050.00	47 850.00
23 7	LOYER CSF	640400			3 300.00	44 550.00
20 8	M. ERIC DEMIERRE	640100			1 050.00	
22 8	LOYER	640100			9 000.00	34 550.00
22 8	CSF INVOICE NO 1362	640100			1 050.00	33 500.00
23 9	CIE SERV FID PRT LOYER	650000			128.20	33 371.80
3 10	ADMINISTRATION FISCALE CANTONALE	640100			1 050.00	32 321.80
23 10	CIE SERV. FID LOYER					
TRANSACTION & BALANCE				50 000.00	17 728.20	52 271.80

1045

ALBERT HAKIM
 LEDGER
 FROM 01 01 84 TO 04 12 86
 DOC NO CONTRA

A/C	NAME & DESCRIPTION	US\$	DEBIT	CREDIT	BALANCE
58	***** BANK GUARANTEES	US\$			
5800001	***** SERVID GUARANTEE	US\$			
15	7 CSF GUARANTEE 500'000 - DKR	5003001	70 000 00		70 000 00
			70 000 00	0 00	70 000 00

TRANSACTION & BALANCE

1046

H

WALANCE

CREDIT

DEBIT

FROM 01 01 84 TO 04 12 86
DOC NO CONTRA

ALBERT HAKIM
LEDGER

NAME & DESCRIPTION

1047 "

FROM 01 01 84 TO 04 12 86

4203 ALBERT HANSEN
LEDGER

11/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

5 ***** CHARGES US\$

11/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
600001	***** TRANSIT ACCOUNT					
16	5 WITHDRAWAL CASH FROM LAKE	9999901		224 438 00		0 00
86						200 100 00
16	5 TRANSFER	700001		260 000 00		
21	5 WITHDRAWAL CASH FROM LAKE	9999901		310 000 00		
18	7 CASH WITHDRAWAL	5608001		125 000 00		820 000 00
18	7 CHG ALBERT C HANSEN	5608001		125 000 00		
18	7 CHG ASHER WARD	5608001				

1 044 438 00 224 438 00 820 00 00

TRANSACT. & BALANCE

4203 ALBERT HAKIM
LEGER

FROM 01 01 86 TO 06 12 86

DOC NO CONTRA

US\$

US\$

TRANSACT. & BALANCE

A/C	NAME & DESCRIPTION	DOC NO CONTRA	US\$	DEBIT	CREDIT	BALANCE
500101	***** SOUTHERN AIR TRANSPORT					
6	3 TR TO SOUTHERN AIR TRANSPORT	5004001		121 825 00		121 825 00
85						
6	6 CHQ HUT COSTS RUS	5604001				
10	12 TRANSFER TO SOUTHERN AIR TRANSPORT	5601001		60 000 00	4 768 20	117 056 80
18	12 TR. TO SOUTHERN AIR TRANSPORT	5601001		58 500 00		235 556 80
86						
22	1 TR TO SOUTHERN AIR TRANSPORT	5601001		24 000 00		255 556 80
14	2 TR TO SOUTHERN AIR TRANSPORT	5601001		270 000 00		525 556 80
26	2 SAT	5600001		240 000 00		765 556 80
5	3 SAT	5600001		50 000 00		815 556 80
21	3 SAT	5602001		71 000 00		886 556 80
3	4 SAT	5602001		400 000 00		1 286 556 80
14	4 SAT	5602001		150 000 00		1 436 556 80
17	4 SAT	5609001		210 000 00		1 636 556 80
21	4 SAT	5609001		120 000 00		1 756 556 80
21	5 SAT RE FUEL	5606001		40 000 00		
21	5 SAT RE JET STAR	5606001		50 000 00		
21	5 SAT RE L100	5606001		55 000 00		
23	5 TR TO SAT	5608001		410 000 00		
28	5 SAT	5608001		200 000 00		
18	6 SAT	5608001		242 000 00		
20	6 SAT	5606001		25 000 00		
1	7 SOUTHERN AIR TRANSPORT	5607001		200 000 00		
7	7 SAT	5609001		11 040 00		
22	8 SAT	5609001		125 000 00		
11	9 TRANSFER TO SAT	5607001		50 000 00		
25	9 TO SAT	5607001		100 000 00		
TRANSACT. & BALANCE				3 209 365 00	4 768 20	3 204 596 80

104

H

4203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	US\$	DEBIT	CREDIT	BALANCE
600401	***** R QUINTERO						
10 4	CHQ TO R QUINTERO		5604001		5 000 00		5 000 00
85							
25 4	CHQ R QUINTERO		5604001		4 000 00		1 000 00
9 5	EXPENSES PAID BY STIGI		5604001		2 840 48		11 840 48
22 5	CHQ R QUINTERO		5604001		15 277 80		27 118 28
16 7	CHQ R QUINTERO		5604001		7 819 00		
16 7	WITHDRAWAL US\$ NOTES RQ		5604001		50 000 00		84 937 28
29 8	CHQ R QUINTERO		5600001		4 000 00		88 937 28
13 9	PAT R QUINTERO		5600001		4 000 00		92 937 28
23 9	CHQ R QUINTERO		5600001		2 378 93		95 316 21
1 10	CHQ R QUINTERO		5600001		4 000 00		99 316 21
15 10	CHQ R QUINTERO		5600001		4 000 00		103 316 21
12 11	CHQ R QUINTERO		5600001		202 05		104 218 26
25 11	CHQ R QUINTERO		5600001		4 000 00		108 218 26
17 12	R Q BUS EXPENSES		5601001		10 000 00		118 218 26
86							
7 1	PAYMENT TO R QUINTERO		5601001		4 000 00		122 218 26
30 1	PAT TO R QUINTERO		5601001		4 000 00		126 218 26
26 2	TR TO R QUINTERO		5601001		5 000 00		131 218 26
25 3	CHQ R QUINTERO		5601001		10 000 00		141 218 26
3 4	CIE SERU FID R QUINTERO		5602001		28 000 00		169 218 26
29 4	CHECK QUINTERO		5606001		5 000 00		174 218 26
6 6	CHECK RAFAEL QUINTERO		5606001		5 000 00		179 218 26
16 6	CHQ QUINTERO		5607001		10 000 00		189 218 26
30 6	CHQ QUINTERO		5608001		5 000 00		194 218 26
22 8	CHECK RAFAEL QUINTERO		5607001		10 000 00		204 218 26
5 9	CHECK RAFAEL QUINTERO		5607001		5 000 00		209 218 26
24 9	CHECK RAFAEL QUINTERO		5608001		10 000 00		219 218 26
2 10	RAFAEL QUINTERO CHECK		5608001		5 000 00		224 218 26
3 11	RAFAEL QUINTERO		5608001		5 000 00		229 218 26
TRANSACTION & BALANCE							
							0 00
							229 218 26

86 12 10 17/10

TRUM 01 01 86 TO 06 12 86

4203 ALBERT WIKIM LEDGER

BALANCE

CREDIT

DEBIT

DUO NU CONTRA

A/C. NAME & DESCRIPTION

	US\$		US\$
000001 ***** S. B. S. 67-666-BA			
7 3 TR TO SBS GVA	553 600 00		
85			
1 4 TR TO SBS GVA	300 000 00		
17 4 TR TO SBS GVA	150 000 00		
6 5 TR TO BCO PORTUGUES	2 491 700 00		
8 5 TR TO BCO PORTUGUES	60 000 00		
24 5 TRANSFER	10 000 00		
25 5 TRANSFER	1 556 400 00		
19 7 TRANSFER TO SBS GVA	200 000 00		
1 10 TR TO SBS GVA	301 500 00		
22 11 TRANSFER SBS	100 000 00		
11 12 TRANSFER TO SBS GVA	300 000 00		
86			
27 2 TR TO SBS GVA	242 000 00		
7 4 TR TO SBS GVA	93 120 00		
10 4 TR TO SBS GVA	136 137 00		
17 4 TR FROM 6032	2 385 261 75		
16 5 TR FROM 6034	634 742 12		
20 5 67666 BA	113 150 00		
23 5 TR TO SBS GVA	200 000 00		
23 5 TR TO SBS GVA	200 000 00		
1 7 67666 BA	845 000 00		
16 7 67666 BA	801 987 50		
TRANSACT. & BALANCE		0.00	11 234 598 37
			11 234 598 37

1051

H

4204 ALBERT HAKIM
LEDGER

A/C NAME & DESCRIPTION

600701 ***** LAKE RESOURCES
TRANSACTION BALANCE

FROM 01 01 84 TO 04 12 86
DOC NO CONTRA

US\$

86 12 10	PAGE	1
DEBIT	CREDIT	BALANCE
0 00	0 00	0 00

1052 H

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKKIM
LEDGER

A/C	NAME & DESCRIPTION	DOC NU CONTRA	DEBIT	CREDIT	BALANCE
600801	000000 MAULE AIRCRAFT	US\$			
11	9 TR TO MAULE AIRCRAFT	5600001	59 000 00		59 000 00
85					
23	9 TR TO MAULE AIRCRAFT	5600001	4 000 00		63 000 00
21	10 TR TO MAULE AIRCRAFT	5600001	50 225 00		113 225 00
86					
15	1 CHQ TO MAULE AIRCRAFT	5601001	5 100 00		118 325 00
3	2 TR TO MAULE AIRCRAFT	5601001	50 535 04		168 860 04
28	2 PMT TO MAULE AIRCRAFT	5601001	4 577 67		173 437 71
TRANSACTION & BALANCE			173 437 71	0 00	173 437 71

1053 H

ALBERT WINKIN
LEDGER

4203

FROM 01 01 84 TO 04 12 86

DOI. NO CONTRA

BALANCE

CREDIT

DEBIT

BALANCE

A/C. NAME & DESCRIPTION	U.S.	DEBIT	CREDIT	BALANCE
00Y01 000000 COMMERCIAL TULIN SA	US\$			
21 10 PRT COM. TULIN SA	5600001	15 000 00		15 000 00
85				
15 11 TR TO TULIN SA	5600001	15 000 00		0
15 11 TR TO TULIN SA	5600001	15 000 00		45 000 00
86				
15 1 TR TO TULIN SA	5601001	10 000 00		55 000 00
17 2 COMMERCIAL TULIN SA	5600001	10 000 00		65 000 00
18 3 COMMERCIAL TULIN SA	5600001	10 000 00		75 000 00
30 4 COMMERCIAL TULIN	5600001	10 000 00		85 000 00
6 6 COMMERCIAL IIR IN	5600001	10 000 00		95 000 00
30 6 COM TULIN	5600001	10 000 00		105 000 00
22 8 COMMERCIAL TULIN SA	5600001	10 000 00		115 000 00
9 9 COMMERCIAL TULIN	5600001	10 000 00		125 000 00
6 10 COMMERCIAL IIR IN	5600001	10 000 00		135 000 00
5 11 COMMERCIAL TULIN	5600001	10 000 00		145 000 00

TRANSACT. & BALANCE

145 000 00

0 000 00

1 000 00

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

CREDIT BALANCE

DEBIT

UOC NO CONTRA

A/C. NAME & DESCRIPTION

601001	***** AMALGAMATED COM. ENT	US\$		
25	9 TR TO ACE	5609001	4,6892.45	4,6892.45

			4,6892.45	4,6892.45

US\$

***** AMALGAMATED COM. ENT

25 9 TR TO ACE

5609001

4,6892.45

4,6892.45

1055

TRANSACT. & BALANCE

0.00

4,6892.45

H

86 12 10 PAGE 1

FROM 01 01 86 TO 04 12 86

4203 ALBERT HARKIN
LEDGER

BALANCE

CREDIT

DEBIT

A/C. NAME & DESCRIPTION

DOC. NO CONTRA

601101 800000 JOSEPH HAMILTON

US\$

8 1 TR TO JOSEPH HAMILTON

>601001

125 000 00

125 000 00

TRANSPACT. & BALANCE

125 000 00

125 000 00

0.00

1056 H

86 12 10 PAUL 1

FROM 01 01 84 TO 04 12 86

ALBERT HAKIM
LEDGER

420J

A/C	NAME & DESCRIPTION	DUK. NO CONTRA	US\$	DEBIT	CREDIT	BALANCE
003701	000000 EAST INC.					
27	12 TR TO EAST INC.	5601001		100 500 00		100 500 00
86						
17	2 EAST INC	5600001		10 000 00		110 500 00
20	2 TR. TO EAST INC	5601001		20 000 00		130 500 00
26	2 TR. TO EAST INC.	5601001		22 440 44		222 940 44
14	4 EAST INC.	5602001		30 000 00		252 940 44
17	4 EAST INC.	5609001		100 357 86		353 298 30
20	5 EAST INC.	5609001		64 894 58		418 192 88
7	7 EAST INC.	5608001		61 304 12		479 497 00
24	7 EAST INC.	5606001		87 860 38		567 357 38
22	8 EAST INC	5609001		56 000 00		623 357 38
25	9 EAST INC	5600001		14 449 25		637 806 63
				657 806 63	0 00	657 806 63

H 1057

TRANSACTION BALANCE

86 12 10 1PMCE 1

4.203 ALBERT MARKIM
LEDGER

FROM 01 01 84 TO 06 12 86

FROM 01 01 84 TO 06 12 86

DOC NO CONTRA

A/C NAME & DESCRIPTION

DEBIT

CREDIT

BALANCE

603901	***** SHIP	US\$			
1	5 ARNE HERUP AND DBI DKR 250000	5603001		31 098 40	31 098 40
16				290 464 31	
7	5 ARNE HERUP AND DBI DKR 2366558	5603001		8 000 00	
7	5 CIE SERV FID SA CHARTERING APS	5603001		5 000 00	334 562 71
7	5 RETRAIT CASH CAPTAIN ARNE HERUP	5603001		5 012 00	339 574 71
21	5 RETRAIT CASH CAPTAIN ARNE HERUP	5603001		20 000 00	359 574 71
23	5 ACOMPARIT SERV MARITIME	5603001		1 125 00	
5	6 CHECK TO ARNE HERUP	5603001		5 500 00	364 199 71
5	6 SALARY CHIEF MATE AND COOK	5603001		1 293 74	369 493 45
13	6 COMPTÉ NO 3477 L11 1930000	5603001		6 425 60	375 919 05
26	6 SA CHARTERING APS	5603001		3 454 25	379 373 30
30	6 SA CHARTERING APS	5603001		247 03	379 620 33
1	7 SA CHARTERING APS	5603001		15 500 00	395 120 33
8	7 SA CHARTERING APS	5603001		3 125 00	
9	7 CHO ARNE HERUP	5603001		5 900 00	404 165 33
9	7 127555-5 WAGES CREW	5603001		5 000 00	
10	7 ARNE HERUP RE INCENTIVE	5603001		6 250 00	415 395 33
10	7 ARNE HERUP WAGES MAY-JUNE	5603001		1 460 00	416 855 33
14	7 SA CHARTERING APS	5603001		5 430 00	422 285 33
16	7 SA CHARTERING APS	5603001		4 444 00	
23	7 SA CHARTERING APS	5603001		4 176 47	430 905 80
23	7 CSF DKR 32'000.- REMBT PSM	5603001		3 125 00	434 030 80
25	7 CHO ARNE HERUP	5603001		16 000 00	450 030 80
28	7 SA CHARTERING APS	5603001		7 100 00	
31	7 WAGES SHIP CREW	5603001		3 125 00	460 255 80
31	7 ARNE HERUP	5603001		16 800 00	477 055 80
21	8 SA CHARTERING APS	5603001		6 250 00	483 305 80
22	8 ARNE HERUP	5603001		6 250 00	
25	8 CHO ARNE HERUP	5603001		7 100 00	490 405 80
25	8 127555-5 REF WAGES	5603001		15 000 00	505 405 80
28	8 SA CHARTERING APS	5603001		3 125 00	511 655 80
26	9 ARNE HERUP - A/C WITH CREDIT 1 SUITS	5603001		7 100 00	
26	9 SHIP WAGES - 127555-5	5603001		3 125 00	522 005 80
26	9 ARNE HERUP	5603001			

86 12 10 17402

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
603901	SHIP	(SUITE)			
27 9	SA CHARTERING APS	5603001	13 340 00		538 345 80
15 10	SA CHARTERING APS	5603001	20 000 00		558 345 80
28 10	ARNE HEKUP	5603001	3 125 00		
28 10	ARNE HEKUP CHECK	5603001	7 100 00		571 695 80
28 10	127555-5 OCTOBER	5603001	3 125 00		
27 11	ARNE HEKUP	5603001	7 100 00		565 045 80
27 11	127555-5	5603001	3 125 00		
27 11	CHECK ARNE HEKUP	5603001			
TRANSACTION BALANCE			585 045 80	0 00	585 045 80

H 1059

4203 ALBERT HAKIM

LEDGER

A/C. NAME & DESCRIPTION

FROM 01 01 84 TO 04 12 86

86 12 10 PAGE

1

DOC. NO CONTRA

DEBIT

CREDIT

DEBIT

003903 00000 SHIP INSURANCE - UM

20 5 INSURANCE MONTERS HONNER

U M

56631103

110 318 75

110 318 75

TRANSPACT. & BALANCE

110 318 75

0.00

110 318 75

1060

H

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

A/C	NAME & DESCRIPTION	UOL NO CONTRA	US\$	DEBIT	CREDIT	BALANCE
601801	***** MUNZER ALKASSAR					
30 8	TRANSFER TO UCO BILBAO	5000001		1 000 000 00		1 000 000 00
86						
27 6	A/C 1837 MUNZER ALKASSAR	5007001		500 000 00		1 500 000 00
	TRANSACT & BALANCE			1 500 000 00	0 00	1 500 000 00

1901 H

6203	ALBERT MARKIM LEUGER	1100M 01 01 84 TO 04 12 86	86 12 10	PAGE 1	
A/C	NAME & DESCRIPTION	DOL NO CONTRA	DEBIT	CREDIT	BALANCE
001901	00000 J MONTERO	US\$			
18 12	CASH WITHDRAWAL	56000001	2 540 00		2 540 00
17 2	TR TO J. MONTERO	56000001	10 417 57		12 957 57
3 3	CHECKS TO J. MONTERO	56010001	30 000 00		42 957 57
4 3	TR TO J R MONTERO	56010001	21 000 00		63 957 57
5 3	RD CHQ MONTERO	56010001		30 000 00	
5 3	TU CSF (JRM)	56070001	00 000 00		
18 6	CIE SLRV. FID MONTERO	56060001	48 524 83		112 482 40
30 7	JR MONTERO	56090001	16 286 00		128 686 40
TRANSACTION & BALANCE			158 686 40	30 000 00	128 686 40

1062 H

4203 ALBERT HAKIM
LEDGER

FROM 01 01 86 TO 04 12 86

86 12 10 PAGE 1

A/C NAME & DESCRIPTION

DEBIT

DKK IN CONTINA

CREDIT

BALANCE

602101	***** ABDUL RAHMAN TINAY			
13	9 IR TO ABDUL RAHMAN	2 636 00		2 636.00

US\$

5600001

-----		2 636 00	0.00	2 636.00
-------	--	----------	------	----------

TRANSACT. & BALANCE

1064

H

86 12 10 PAGE 1

FROM 01 01 84 TO 04 12 86

4203 ALBERT MAKIM
LEDGER

CREDIT BALANCE

DEBIT

DOC. NO CONTRA

A/C NAME & DESCRIPTION

602401	888888 ALPHA SERVICES	US\$			
30	9 TR TO ALPHA SERVICES	5600001	175 000 00		175 000 00
85	1 10 TR TO ALPHA SERVICES	5000001	25 000 00		200 000 00
	TRANSACT. & BALANCE		200 000 00	0.00	200 000.00

1065 H

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
602501	***** DENIS PONCE				
21 10	PRT DENIS PONCE		5 000.00		5 000.00
85		5600001			
15 11	TR TO D. PONCE		5 000.00		15 000.00
15 11	TR TO DENIS PONCE		5 000.00		10 030.00
25 11	FUNDS RECEIVED LESS BK CHARGES			4 970.00	
86					
3 1	REVERSAL PRT PONCE			5 000.00	5 030.00
16 1	REVERSAL PRT D PONCE			5 000.00	30.00
	TRANSACTION & BALANCE		15 000.00	14 970.00	50.00

9901 #

4203	ALBERT HAKIM	FROM 01 01 84 TO 04 12 86	86 12 10	PAGE	1
	LEDGER				
A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
602601	***** SANTA LUCIA AIRWAYS	US\$			
29 11	TR TO SANTA LUCIA AIRWAYS	5600001	127 700 00		127 700 00
	TRANSACTION & BALANCE		127 700 00	0 00	127 700 00

1067 H

86 12 10 PAGE 1

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

A/C	NAME & DESCRIPTION	DOC	NU	CONTRA	DEBIT	CREDIT	BALANCE
602701	***** TRANSWORLD ARMS LTD						
				US\$			
28	12 TR TO TRANSWORLD ARMS			5604001	414 037 00		414 037 00
85							
16	1 TRANSFER TO TRANSWORLD ARMS			5004001	20 000 00		504 037 00
22	1 TRANSFER TO TRANSWORLD ARMS			5604001	400 000 00		904 037 00
19	3 TR TO TRANSWORLD ARMS			5004001	600 000 00		1 504 037 00
30	5 TR TO ROYAL BANK OF CANADA			5604001	8 000 00		1 512 037 00
86							
18	6 TAA			5006001	200 000 00		1 712 037 00
20	6 RETURN PMT TAA 180686			5606001		200 000 00	1 512 037 00
TRANSACT & BALANCE					1 712 037 00	200 000 00	1 512 037 00

1068 H

ALBERT HAKIM
LEDGER

FROM 01 01 86 TO 06 12 86

80 12 86

DATE	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
01 12 01	000000 DEFEX PORTUGAL				
02 04	TR TO DEFEX	5004001	21 907 00		21 907 00
05 10	TR TO BCO PORTUGUES	5004001	57 500 00		79 407 00
11 07	TR TO BCO PORTUGUES	5004001	145 352 00		224 759 00
23 07	TR TO UBS FRANKING	5004001	500 853.21		805 612 21
24 07	TR TO UBS FRANKING	5004001	1 392 474.84		2 198 087 05
06 01	DEFEX	5000001	20 174 70		2 224 261 75
07 04	DEFEX	5000001	161 000 00		0 00
07 04	TR TO 0006	999901	2 385 261.75		0 00
TRANSACTION & BALANCE					
			2 385 261 75	2 385 261 75	0.00

1069
1069
=

LEDGER

DATE & DESCRIPTION

DOC. NO. CURRENCY

01/31/01 000000 CAR INC.
 02/01/01 CAR INC

US\$
 3000001

1 000.00 1 000.00

 1 000.00 1 000.00

TRANSACTION & BALANCE

H 1070

86 12 10 P/AGE 1

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
604101	000000 ACE				
	18 11 TR TO AMALGAMATED COM. ENT	5600001	450 630 00		450 630 00
86					
22 1	TR TO AMALGAMATED COM. ENT	5601001	230 000 00		680 630 00
31 1	TR TO AMALGAMATED COM. ENT	5601001	150 000 00		830 630 00
17 3	ACE	5602001	475 000 00		1 305 630 00
21 3	ACE	5602001	29 000 00		1 334 630 00
18 4	ACE	5606001	57 022 03		1 391 652 03
20 5	ACE	5609001	102 411 57		1 494 063 60

1 494 063 60

TRANSACTION & BALANCE

1071 H

4203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

86 12 10 PAGE 1

A/C.	NAME & DESCRIPTION	DOC NU CONTRA	DEBIT	CREDIT	BALANCE
--JUL 01	***** ARTURO JOSE CARUZ PORRAS	US\$			
17	Z ARTURO JOSE CARUZ PORRAS	5600001	3 500 00		3 500 00
86					
30	4 ARTURO JOSE CARUZ PORRAS	5600001	7 000 00		10 500 00
6	6 ARTURO JOSE CARUZ PORRAS	5600001	7 000 00		17 500 00
30	6 ARTURO JOSE CARUZ PORRAS	5600001	7 000 00		24 500 00
22	8 ARTURO JOSE CARUZ PORRAS	5607001	16 000 00		38 500 00
9	9 ARTURO JOSE CARUZ PORRAS	5607001	7 000 00		45 500 00
6	10 ARTURO JOSE CARUZ PORRAS	5608001	7 000 00		52 500 00
5	11 ARTURO JOSE CARUZ PORRAS	5608001	7 000 00		59 500 00
TRANSACT. & BALANCE			59 500.00	0.00	59 500.00

1072
=

4203 ALBERT HAKIM
LEDGER FROM 01 01 84 TO 04 12 86

A/C. NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

04401 88888 GOULDENS CLIENTS ACCOUNT US\$ 110 000 00 110 000 00
1 5 GOULDENS CLIENT 5000001 110 000 00 0.00 110 000 00

TRANSACTION & BALANCE

H 1073

4203 ALBERT HARKIN
LEDGER

FORM U. S. 84 10 04 12 86

86 12 10 1984

A/C. NAME & DESCRIPTION

DUPLICATE CONTRA

DEBIT CREDIT BALANCE

604501 ***** MOTOROLA INC

US\$

5 5 NORTH TRUST BANK MOTOROLA INC

5000001

100 000 00 100 000 00

TRANSACTION & BALANCE

100 000 00

0.00

100 000 00

1074 H

FROM 01 01 84 TO 04 12 86

ALBERT HAKIM
LEDGER

DOC NO CONTRA

A/C NAME & DESCRIPTION

604601	***** CODELIS	US\$			
14	5 TDB CODELIS	5006001			

TRANSCAT & BALANCE

DEBIT	CREDIT	BALANCE
101 500 00		101 500 00
-----	0 00	101 500 00

9601H

6203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

DOC NO CUNTNA

A/C NAME & DESCRIPTION

604801 00000 500816-JM-601 U

USA

10 2 500816-JM-601D

1076 H

86 2 500816-JM-601D

11 2 500816-JM-601D

15 3 JM 601 D 500816

DEBIT	CREDIT	BALANCE
1 850 000 00		1 850 000 00
1 850 000 00		3 700 000 00
6 500 000 00		10 200 000 00
10 200 000 00	0 00	10 200 000 00

TRANSACTION & BALANCE

4203 ALBERT HANIM
LEDGER

FROM 01 01 84 TO 04 12 86

86 12 10 PAGE 1

A/C. NAME & DESCRIPTION

DEBIT

CREDIT

BALANCE

1077 H
JUSU01 ***** AERO CONTRACTORS LTD US\$

18 4 CSF - AERO CONTRACTORS LTD

86

5606001

19 635 00

16 7 CHECK AERO CONTRACTORS LTD

86

5608001

65 027 00

TRANSACTION BALANCE

65 027 00

0 00

65 027 00

4203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

86 12 10 PAGE 1

1/C NAME & DESCRIPTION

DOC NO CONTRA

CREDIT BALANCE

05101 000000 BK OTSAR T.A. # 2303705.50 US\$

17 2 TR TO BK OTSAR T.A.

31 500 00

31 500 00

TRANSACTION & BALANCE

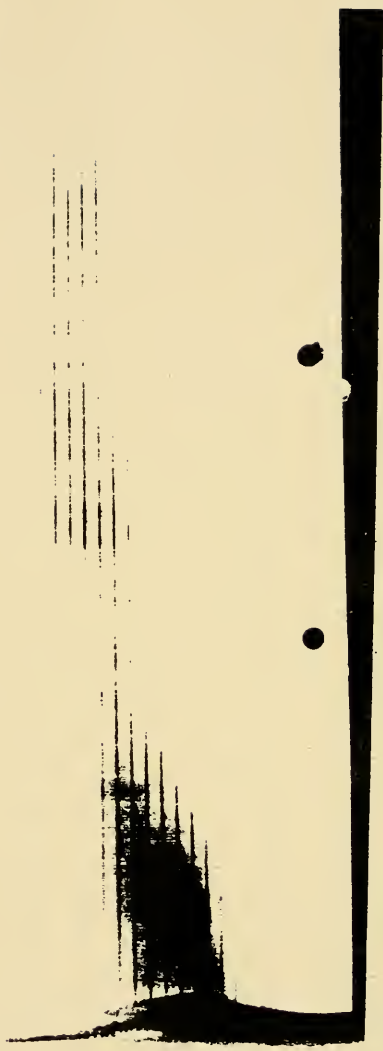
31 500.00 0.000

1078 H

4203 ALBERT MAKIM
LEDGER FROM 01 01 84 TO 04 12 86

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
605201	***** CORPORATE AIR SERVICES	US\$			
27 6	TR TO CORPORATE AIR SERVICES INC.	5609001	58 000 00		58 000 00
86 3	9 REIMBT CSF - CORP AIR SERVICES	5607001	62 018 00		120 018 00
25 9	9 CORPORATE AIR SERVICES INC.	5609001	91 936 66		211 954 66
TRANSACTION & BALANCE			211 954 66	0 00	211 954 66

1079 H



4203 ALBERT MAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

A/C. NAME & DESCRIPTION

605401 ***** DAVCO ASSOCIATES

20 8 CSF - DAVCO ASSOCIATES

TRANSACTION & BALANCE

DOC NO CONTRA

US\$

5686001

1080

H

DEBIT	CREDIT	BALANCE
10 000 00		10 000 00
-----	-----	-----
10 000 00	0 00	10 000 00

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

A/C.	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
05301	***** TOM GREEN	US\$			
22 7	TOM GREEN	5606001	50 000.00		50 000.00
86 3	✓ CHECK TOM GREEN	5607001	15 000.00		65 000.00
12 9	✓ CHECK TO TOM GREEN	5607001	10 000.00		75 000.00
22 10	CHECK TOM GREEN	5608001	20 000.00		95 000.00
TRANSACTION & BALANCE			95 000.00	0.00	95 000.00

1081

H

4203 ALBERT MAKIM

LEDGER FROM 01 01 86 TO 04 12 86

86 12 10 BALANCE 1

A/C. NAME & DESCRIPTION DGC NO CONTRA DEBIT CREDIT BALANCE

605501	***** COMPANIA DEL DESARROLLO DE S ELENA US\$				
30	7 COMPANIA DEL DESARROLLO	5007001	5 993 00		5 993 00
	TRANSACT & BALANCE		5 993 00	0 00	5 993 00

1082

#

FROM 01 01 84 TO 04 12 86

ALBERT HAKIM
LEDGER

BALANCE

CREDIT

DEBIT

DOC NO CONTRA

A/C. NAME & DESCRIPTION

605601	***** ED JANNA Y 15 09596 7	US\$			
7	8 ED JANNA Y	5009001	81 433 89		81 433 89
TRANSACT & BALANCE			81 433 89	0.00	81 433 89

1083 H



4203	ALBERT MAKIM LEDGER	FROM 01 01 84 TO 04 12 86	86 12 10	PAGE	1
A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
505701	***** FORWAY INDUSTRIES	US\$			
25 8	FORWAY INDUSTRIES	5607001	50 000 00		50 000 00
86					
12 11	CSF INVEST. RE FORWAY	5603001	260 000 00		110 000 00
	TRANSACT. & BALANCE		310 000 00	0 00	310 000 00

1084 H

4203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86
DOC. NO CONTRA

A/C NAME & DESCRIPTION

605801 ***** ACL

US\$

25 9 CHECK ACL

5608001

DEBIT

CREDIT

BALANCE

5 729.68

5 729.68

5 729.68

0.00

5 729.68

TRANSACTION & BALANCE

1085

H

86 12 10 PAGE 1

FROM 01 01 84 TO 04 12 86
LOC NO CONTRA

4203 ALBERT HAKIM
LEDGER
A/C NAME & DESCRIPTION

DEBIT	CREDIT	BALANCE
2 037 000 00		2 037 000 00
2 037 000 00	0 00	2 037 000 00

US\$
5608001

605901 ***** HAEFELIN
27 10 HAEFELIN - UBS

TRANSACTION & BALANCE

9801 H

86 12 10 PINGE 1

4203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

A/C.	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
606001	***** STANFORD TECHN. ² ₂		US\$			
21 4	TDB GENEVE STC	5606001		20 000 00		20 000 00
86						
5 8	TDB GENEVE STC	5607001		13 000 00		33 000 00
6 10	TDB GENEVE STC CORP.	5608001		30 000 00		23 000 00
21 11	TDB GE - STC	5608001		25 000 00		08 000 00

TRANSACTION & BALANCE

88 000 00

0.00

88 000 00

FROM 01 01 86 TO 04 12 86

4203 ALBERT HAKIM LEDGER

BALANCE

CREDIT

DEBIT

DOC NO CONTRA

A/C NAME & DESCRIPTION

20 000 00	20 000 00	20 000 00
20 000 00	0 00	20 000 00

US\$

5608001

006101 ***** SHEA AND GARDINER

28 11 SHEA AND GARDINER

TRANSACTION BALANCE

1088 H

4203 ALBERT HAKIM FROM 01 01 84 TO 04 12 86

LEDGER

A/C. NAME & DESCRIPTION DOC NO CONTRA

A/C.	NAME & DESCRIPTION	DOC NO	CONTRA	FRS	DEBIT	CREDIT	BALANCE
640100	***** DOMICILIATION + DIRECTEURS F.L.E'S						
23	6 LOYER CSF			5610000	1 050 00		1 050 00
86							
23	7 LOYER CSF			5610000	1 050 00		2 100 00
22	8 LOYER			5610000	7 000 00		12 150 00
22	8 CSF INVOICE NO 1362			5610000	1 050 00		13 200 00
23	9 CIE SERV FID PMT LOYER			5610000	1 050 00		14 250 00
23	10 CIE SERV FID LOYER			5610000	1 050 00		

1089

TRANSACTION & BALANCE

----- 14 250 00

0.00

14 250 00

4.203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

A/C	NAME & DESCRIPTION	W/C NO CONTRA	US\$	DEBIT	CREDIT	BALANCE
640101	***** DOMICILIATION + DIRECTORS FEES					
15 10	PMT INV. COMP DE SERV FID	5608001		4 650 00		
85						
15 10	PMT INV. COMP DE SERV FID.	5608001		4 157 04		8 JUN 84
12 11	PMT INV. AUDIFI	5608001		2 53 27		
*12 11	PMT INV. CSF	5608001		1 400 23		10 440 64
86						
17 4	CIE SERV FID INV 9549 SFR 5000	5608001		2 073 80		13 114 44
18 4	CIE SERV FID INV. 1115	5608001		2 750 00		
18 4	CIE DE SERV FID INV 1134 & 9342	5609001		2 141 90		12 006 34
23 4	REIMBT CIE DE SERV FID INV 9342	5609001			1 070 95	16 935 39
1 5	CIE SERV FID INV 1104	5603001		2 732 25		19 867 64
20 5	CIE SERV FID INV 1192	5607001		2 739 73		
20 5	CSF INV 1201	5607001		2 500 00		24 907 37
18 7	CSF INV 1322/1324	5602001		1 734 10		26 641 47
8 10	CIE SERV FID INV ENERGY SFR 3000	5608001		1 872 07		28 513 54

TRANSACTION & BALANCE

27 584 49

1 070 95

28 513 54

FROM 01 01 84 TO 06 12 86

LEADER
A/C. NAME & DESCRIPTION

DOC NO CONTRA
DEBIT CREDIT BALANCE

640200 00000 BUSINESS EXPENSES

FIS

TRANSACTION BALANCE

0 00 0 00 0 00

1601 H

FROM 01 01 84 TO 04 12 86

ALBERT HAKIM
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
640201	***** BUSINESS EXPENSES				
45	2 BUSINESS EXPENSES	5604001	3 506 00		3 506 00
85					
20	3 CASH WITHDRAWAL RVS	5604001	5 000 00		8 506 00
10	5 TRAVEL EXPENSES	5604001	241 33		8 747 33
6	9 PNT INV. HOTEL INTERCON.	5604001	2 932 33		11 679 66
15	10 CASH WITH. MASOUDI	5600001	5 000 00		16 679 66
17	10 PNT HOTEL INTERCONTINENTAL	5600001	4 812 82		21 492 48
17	12 BUSINESS EXPENSES PHASE IV	5601001	50 000 00		71 492 48
86					
17	2 HOTEL INTERCONTINENTAL	5600001	665 94		72 458 42
17	2 CASH WITHDRAWAL	5600001	300 00		107 458 42
18	2 WITHDRAWAL CASH TRAVEL EXP	65600001	35 000 00		142 458 42
9	4 TOM LINNES REIMBT LOC. 300 - SFR	5602001	154 04		157 462 46
9	4 PNT SFR 300 - CASH	5602001		150 00	7 462 46
17	4 WITH CASH EXPENSES	5602001	601 00		7 061 46
17	4 SHARP GREEN & LANK FORD	5609001	294 31		6 767 15
1	5 CASH ERIC ZUCKLER	5606001	500 00		6 267 15
13	5 RE TRIP OF 05/13/86	5606001	3 000 00		3 267 15
13	5 RE TRIP OF 05/13/86	5606001	2 793 30		473 85
15	5 CASH GEN EXP RUS/RAH	5606001	2 777 78		114 651 07
15	5 BILL / GREG / AVC	5606001	30 150 00		144 801 07
23	5 CASH RE GEN EXP. SFR 4000 -	5608001	7 144 77		151 945 84
27	5 CIE DE SERV FID REIMBT ADC	5608001	26 653 50		178 602 34
28	5 CASH WITH GEN. EXP	5603001	1 604 28		180 206 62
3	6 CASH WITHDRAWAL	5608001	1 000 00		181 206 62
7	6 CLINIC BUCHINGER DM 5000 -	5606001	2 294 10		183 500 72
1	7 CSF CASH WITHDR RE ERIC ZUCKLER	5605001	1 000 00		184 500 72
7	7 FARNEJAD (JILA H LAKAHANI)	5608001	7 500 00		192 000 72
7	7 BUCHINGER FAT DM 6000	5606001	7 778 29		199 778 01
18	7 CSF INV. 1322/1324 SFR 32567	5608001	18 824 86		218 602 87
18	7 CSF INV. 1322/1324				
24	7 HOTEL INTERCONTINENTAL	5605001	7 052 88		225 655 75
40	7 CASH WITHDRAWAL - ERIC ZUCKER	5608001	1 000 00		226 655 75
70	7 FARNEJAD (MRS JILA H LAKAHANI)	5609001	8 000 00		234 655 75

1092

H

A/C	NAME & DESCRIPTION	001. NO CONTRA	DEBIT	CREDIT	BALANCE
440201	BUSINESS EXPENSES	(SUITE)			
31	CASH WITHDRAWAL	5609001	40 000 00		243 606.67
20	CASH WITHDRAWAL - TC	5606001	10 000 00		253 606.67
22	CSF REIMBT CHQ ROBINETTE	5609001	9 000 00		262 606.67
26	CASH WITHDRAWAL	5607001	9 453 30		
24	CASH WITHDRAWAL	5607001	500 00		272 559.97
28	CASH WITHDRAWAL	5607001	1 000 00		273 559.97
1	TDB - CSF - RE CASH WITHDRAWAL	5607001	51 000 00		324 559.97
5	Jila H Lankarani - FARNEJAD	5607001	5 000 00		329 559.97
12	FARNEJAD - Mrs Jila H Lankarani	5607001	10 000 00		339 559.97
18	CASH WITHDRAWAL - TOM CLINES	5607001	2 000 00		341 559.97
23	CASH WITHDRAWAL - RVG	5609001	7 000 00		348 559.97
24	CASH WITHDRAWAL - TOM CLINES	5606001	5 000 00		353 559.97
30	TDB REIMBT CASH WITHDR AH	5608001	51 000 00		
30	CASH WITHDRAWAL ERIC ZUCKER	5608001	1 000 00		405 559.97
8	JILA H. LANKARANI	5608001	5 740 00		
10	EXECUTIVE TRAVEL SFR 703	5609001	435.97		411 735.94
14	CONSULAR	5608001	2 400 00		414 135.94
15	CIE SERV. FID REIMBT CASH AH	5608001	2 000 00		416 135.94
17	CHEK MC ALISTER	5609001	3 100 00		419 235.94
22	C. S. F. REIMBT PRELEVY CASH	5608001	2 000 00		421 235.94
23	REIMBURSEMENT CASH	5609001		2 525 00	
23	CANCELLATION REIMBT CASH	5609001	2 512 00		
23	CANCELL ALIMUT CASH BANK CHARULS	640401	13 00		421 235.94
27	WITHDRAWAL CASH ROBERT DUTLON	5608001	40 000 00		
27	CIE SERV FID REIMBT CASH AH	5608001	51 000 00		
27	CIE SERV FID REIMBT CASH AH	5608001	420 96		512 656.90
27	SERFID REIMBT SFR 703 AVION INANCA	5608001	6 000 00		518 656.90
28	WITHDRAWAL	5608001	358.37		518 995.27
3	SERFID (INV 1421 + 60 SFR	5608001	10 000 00		
5	WITHDRAWAL	5608001	1 176.47		520 171.74
5	WITHDRAWAL SFR 2000	5608001	10 000 00		
6	FARNEJAD - J.H LANKARANI	5608001	4 671.53		544 843.27
6	WITHDRAWAL SFR 8000	5608001	4 000 00		544 966.76
13	REIMBT SERFID SFR 205	5608001	123.49		542 566.76
24	RETURN TRANSF. CONSULAR	5608001		2 400.00	540 783.22
26	REIMBT SERFID SFR 10195	5608001	6 216.46		548 884.12
28	REIMBT SERFID SFR 168	5608001	100 00		

6601 #

4.203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

86 12 10 PAGE 3

A/C NAME & DESCRIPTION
4.0201 BUSINESS EXPENSES

UOL NO CONTRA (SUITE)

DEBIT CREDIT BALANCE

TRANSACTION BALANCE

5,72 783 98 23 899 86 548 884 12

1094 H

86 12 10 PAGE 1
 FROM 01 01 84 TO 04 12 86
 DOC. NO CONTRA FRS
 ALBERT HAKIM
 LEDGER
 A/C. NAME & DESCRIPTION
 640300 00000 TELEPHONE CHARGES
 TRANSACT. & BALANCE
 DEBIT CREDIT BALANCE
 0 00 0.00 0.00

1095 H

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

A/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

540301 ***** TELEPHONE CHARGES US\$

3 2 TELEPHONE CHARGES	5601001	9 96		9 96
18 2 TEL CHARGES	5001001	100 00		100 96
13 5 CIE SERV FID	5000001	500 00		609 96
18 7 CSF INV 1322/1324	0640201	1 165 90		1 775 86

TRANSACT & BALANCE

1 775 86 0 00 1 775 86

1096

#

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

DEBIT CREDIT BALANCE

DOC. NO CONTRA

A/C. NAME & DESCRIPTION

601

640400	***** BANK CHARGES	FRS			50.00
7	7 BANK CHARGES		5610000		
TRANSACT. & BALANCE					50.00

					0.00
					50.00

H

86 12 10 PAUL 1

FROM 01 01 84 TO 04 12 86

4.203 ALBERT HAKIM LEDGER

DEBIT CREDIT BALANCE

LOC NO CONTRA

8601

A/C.	NAME & DESCRIPTION	US\$	DEBIT	CREDIT	BALANCE
640401	***** BANK CHARGES				
28 12	BANK CHARGES	5604001	6 00		6 00
85					
16	1 BANK CHARGES	5604001	5.88		11.88
22	1 BANK CHARGES	5604001	5.88		17.76
18 2	AGIO	5604001	21.52		39.28
20 2	AGIO	5604001	135.68		174.96
25 2	AGIO	5604001	92.53		
25 2	AGIO	5604001	10 00		277.49
28 2	BANK CHARGES	5604001	11.52		289.01
6 3	BANK CHARGES	5604001	5.21		294.22
7 3	BANK CHARGES	5604001	1.74		295.96
11 3	BANK CHARGES	5604001	5.21		301.17
19 3	BANK CHARGES	5604001	5.21		306.38
20 3	AGIO	5604001	88.80		395.18
25 3	AGIO	5604001	15 00		410.18
31 3	CLOSING ENTRIES	5604001	188.77		598.95
2 4	AGIO	5604001	25 00		623.95
3 4	BANK CHARGES	5604001	25.62		
3 4	BANK CHARGES	5604001	1.87		
3 4	BANK CHARGES	5604001	100 00		
3 4	AGIO	5604001	35 00		786.44
9 4	BANK CHARGES	5604001	100 00		886.44
10 4	BANK CHARGES	5604001	210.23		1 097.37
16 4	BANK CHARGES	5604001	5.62		
16 4	BANK CHARGES	5604001	11.24		
16 4	ADJ. BC	5604001	40 00		1 154.23
18 4	BANK CHARGES	5604001	15 00		
18 4	BANK CHARGES	5604001	5.62		1 174.85
19 4	AGIO	5604001	75 00		1 249.85
23 4	BANK CHARGES	5604001	1.87		1 251.72
25 4	BANK CHARGES	5604001	5.62		
25 4	BANK CHARGES	5604001	55.62		
25 4	BANK CHARGES	5604001	2.71		1 314.67
29 4	AGIO	5604001	35 00		1 350.67

4203 ALBERT HAKIM LEDGER

FROM 01 01 84 TO 04 12 86

10969 H

INDU CONTRA

(SUITE)

INDU CONTRA

INDU CONTRA

A/C.	NAME & DESCRIPTION	DEBIT	CREDIT	BALANCE
440401	BANK CHARGES			
3	5 PMT SAFE SBS SFR 550 --	210 33		1 561 00
6	5 BANK CHARGES	5 77		1 606 77
6	5 BANK CHARGES	40 00		1 612 34
7	5 BANK CHARGES	5 57		1 618 11
8	5 BANK CHARGES	5 77		
9	5 BANK CHARGES	5 77		
9	5 BANK CHARGES	10 00		
9	5 ADJ. BC	5 77		1 639 65
17	5 BANK CHARGES	5 77		
17	5 ADJ. BC	20 00		1 665 42
11	5 BANK CHARGES	5 77		1 671 19
22	5 BANK CHARGES	17 97		1 689 16
30	5 BANK CHARGES	11 54		
30	5 BANK CHARGES	5 77		1 712 24
30	5 BANK CHARGES	5 77		1 715 32
6	6 BANK CHARGES	3 08		
7	6 BANK CHARGES	5 77		
7	6 BANK CHARGES	15 00		1 736 09
10	6 BANK CHARGES	11 54		1 747 63
17	6 BANK CHARGES	20 00		1 767 63
18	6 BANK CHARGES	11 54		
18	6 BANK CHARGES	5 77		
18	6 BANK CHARGES	5 00		1 879 94
20	6 BANK CHARGES	10 00		1 889 94
20	6 BANK CHARGES	125 84		2 015 78
30	6 CLOSING ENTRIES	5 91		
3	7 BANK CHARGES	20 00		2 041 69
3	7 BANK CHARGES	5 91		2 047 60
5	7 BANK CHARGES	25 91		2 073 51
11	7 BANK CHARGES	5 91		2 079 42
15	7 BANK CHARGES	5 91		2 085 33
16	7 BANK CHARGES	2 94		
16	7 BANK CHARGES	2 15		2 090 42
18	7 BANK CHARGES	85 11		2 175 53
19	7 BANK CHARGES	35 00		
19	7 TRANSFER TO SBUS GVA	1 97		2 172 50

BALANCE

CREDIT

DEBIT

DOC NO CONTRA

(SUITE)

1700 H

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
6404.01	BANK CHARGES				
22 7	BANK CHARGES	5604001	5 91		2 218 41
23 7	BANK CHARGES	5604001	1 97		2 220 38
24 7	BANK CHARGES	5604001	1 97		2 222 35
16 8	BANK CHARGES	5604001	17 50		2 234 85
28 8	AGIO	5600001	60 00		
28 8	BANK CHARGES	5600001	6 93		2 301 40
29 8	BANK CHARGES	5600001	3 10		2 304 50
30 8	BANK CHARGES	5600001	6 55		2 311 05
3 9	AGIO	5600001	75 00		2 306 05
11 9	BANK CHARGES	5600001	6 64		
11 9	BANK CHARGES	5600001	290 00		
11 9	CO ON L/C	5600001	1 720 00		4 509 33
11 9	BANK CHARGES	5600001	6 64		4 412 25
13 9	BANK CHARGES	5600001	2 92		4 402 25
17 9	AGIO	5600001	50 00		
20 9	BANK CHARGES	5600001	2 96		
20 9	BANK CHARGES	5600001	6 64		4 471 85
23 9	BANK CHARGES	5600001	3 18		
23 9	BANK CHARGES	5600001	256 64		
23 9	BANK CHARGES	5600001	10 00		4 741 67
30 9	BANK CHARGES	5600001	6 64		
30 9	CLOSING ENTRIES	5600001	16 76		
30 9	CLOSING ENTRIES	5604001	1 339 70		6 474 77
1 10	BANK CHARGES	5600001	6 64		
1 10	BANK CHARGES	5600001	2 21		
1 10	BANK CHARGES	5600001	2 16		6 479 74
1 10	BANK CHARGES	5600001	3 16		6 453 76
4 10	BANK CHARGES	5600001	15 62		
15 10	BANK CHARGES	5600001	4 00		6 501 99
15 10	BANK CHARGES	5600001	3 23		
21 10	BANK CHARGES	5600001	6 91		
21 10	BANK CHARGES	5600001	13 82		6 529 03
21 10	BANK CHARGES	5600001	6 91		6 574 03
23 10	AGIO	5600001	45 00		
25 10	BANK CHARGES	5600001	3 26		
25 10	BANK CHARGES	5605001	5 42		6 583 51

ALBERT HAKIM
LEDGER

4203 ALBERT HAKIM
LEDGER

A/C.	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
640401	BANK CHARGES	(SUITE)			
28 10	BANK CHARGES	5600001	9 22		6 592 53
12 11	BANK CHARGES	5600001	3 27		
12 11	AGIO	5600001	35 00		6 630 80
14 11	BANK CHARGES	5600001	7 01		
14 11	BANK CHARGES	5600001	7 01		6 644 82
15 11	BANK CHARGES	5600001	7 01		
15 11	BANK CHARGES	5600001	1 87		
15 11	BANK CHARGES	5600001	1 87		
15 11	BANK CHARGES	5600001	30 37		6 685 94
18 11	BANK CHARGES	5600001	7 01		
18 11	BANK CHARGES	5600001	7 01		6 699 96
22 11	BANK CHARGES	5600001	7 01		
22 11	BANK CHARGES	5600001	1 152 01		7 858 98
29 11	BANK CHARGES	5600001	1 87		7 860 85
6 12	BANK CHARGES	5601001	7 21		7 868 06
11 10	12 BANK CHARGES	5601001	7 21		7 875 27
13 12	BANK CHARGES	5601001	5 00		7 880 27
18 12	AGIO	5600001	12 70		7 892 97
20 12	BANK CHARGES	5600001	7 21		7 900 18
31 12	CLOSING ENTRIES	5600001	379 17		
31 12	ADJ.	5600001	0 01		8 279 36
86					
7 1	BANK CHARGES	5601001	3 35		8 282 71
10 1	BANK CHARGES	5600001	31 95		8 314 66
22 1	BANK CHARGES	5600001	124 15		8 438 81
27 1	BANK CHARGES	5600001	2 39		8 441 20
30 1	BANK CHARGES	5601001	5 49		8 444 69
31 1	BANK CHARGES	5601001	23 92		8 468 61
3 2	BANK CHARGES	5601001	10 00		8 478 61
10 2	BANK CHARGES	5600001	2 50		8 481 11
11 2	BANK CHARGES	5600001	2 50		8 483 61
17 2	BANK CHARGES	5600001	5 17		
17 2	BANK CHARGES	5600001	25 00		
17 2	BANK CHARGES	5600001	25 00		
17 2	BANK CHARGES	5600001	7 50		
17 2	BANK CHARGES	5600001	7 50		

1101 H

86 12 10 PAID 5

FORM 01 01 84 10 04 12 86

4203 ALBERT HAKIM LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
640401	BANK CHARGES			15 00		8 508 78
17 2	BANK CHARGES		5600001	50 00		
18 2	BANK CHARGES		5601001	150 00		
18 2	BANK CHARGES		5600001	125 00		8 893 78
20 2	BANK CHARGES		49600001	10 00		8 903 78
26 2	BANK CHARGES		5601001	7 50		
26 2	BANK CHARGES		5600001	7 50		8 918 78
27 2	BANK CHARGES		5601001	2 20		8 921 28
4 3	BANK CHARGES		5601001	15 00		8 936 28
5 3	BANK CHARGES		5601001	25 00		
5 3	BANK CHARGES		5600001	7 98		8 969 26
6 3	AGIOS		5600001	15 000 00		23 971 92
7 3	BANK CHARGES		5600001	2 66		23 998 52
17 3	BANK CHARGES		5602001	26 60		
18 3	BANK CHARGES		5602001	420 00		
18 3	BANK CHARGES		5602001	750 00		
18 3	BANK CHARGES		5600001	15 98		25 184 48
21 3	BANK CHARGES		5602001	26 60		
21 3	BANK CHARGES		5602001	7 98		25 219 06
25 3	BANK CHARGES		5601001	3 64		
25 3	BANK CHARGES		5602001	10 64		25 231 34
27 3	DEBIT INTEREST		5605001	705 50		
27 3	DEBIT INTEREST		5602001	1 741 22		27 440 06
31 3	DEBIT INTEREST		5600001	171 96		27 612 02
3 4	BANK CHARGES ON C/SF TRANSFER		5602001	6 10		
3 4	BANK CHARGES		5602001	7 81		
3 4	BANK CHARGES		5602001	100 00		27 731 74
7 4	BANK CHARGES		5602001	7 81		
7 4	BANK CHARGES		5602001	2 80		27 736 34
9 4	BANK CHARGES		5602001	5 11		27 741 45
10 4	BANK CHARGES		5602001	2 80		
10 4	BANK CHARGES		929201	1 250 00	0 00	
10 4	BANK CHARGES		5602001		0 00	27 991 45
10 4	BANK CHARGES		5602001	7 81		
14 4	BANK CHARGES		5602001	7 81		27 999 26

1102 H

↑ FROM 01 01 84 10 04 12 86

1703

1103

1103

A/C	NAME & DESCRIPTION	UOL NO CONTRA	DEBIT	CREDIT	BALANCE
64.04.01	BANK CHARGES	(SUITE)			
14	4 BANK CHARGES	5602001	7 81		29 017 46
17	4 BANK CHARGES	5606001	2 60		
17	4 BANK CHARGES	5606001	364 72		
17	4 BANK CHARGES	5606001	1 000 00		
17	4 BANK CHARGES	5602001	5 30		
17	4 BANK CHARGES	5608001	15 00		
17	4 BANK CHARGES	5609001	7 81		
17	4 BANK CHARGES	5609001	7 81		
17	4 BANK CHARGES	5609001	3 74		
17	4 BANK CHARGES	5606001	75 00		
17	4 BANK CHARGES	5606001	120 03		
17	4 BANK CHARGES	999901	1 000 00		
17	4 BANK CHARGES	999901	3 225 00		
18	4 BANK CHARGES	5606001	26 04		34 844 47
18	4 BC RETMBT	5602001		10 64	
18	4 BANK CHARGES	5609001	95 00		34 954 87
21	4 BANK CHARGES	5609001	7 31		
28	4 BANK CHARGES	5606001	2 60		34 962 68
28	4 CIE SERU . FIU	5606001	39 00		
28	4 BANK CHARGES	5606001	7 81		
28	4 AGIOS	5606001	25 00		35 037 09
29	4 BANK CHARGES	5606001	3 39		35 060 98
30	4 BANK CHARGES	5606001	15 63		
30	4 BANK CHARGES	5606001	15 63		35 072 24
1	5 BANK CHARGES	5603001	8 13		
1	5 BANK CHARGES	5606001	200 00		
1	5 BANK CHARGES	5606001	8 38		35 288 75
2	5 BANK CHARGES	5606001	8 12		
5	5 BANK CHARGES	5606001	8 38		35 296 87
5	5 CIE SERU . FIU	5606001	200 00		
7	5 BANK CHARGES	5603001	6 16		35 503 75
7	5 BANK CHARGES	5603001	16 38		
7	5 BANK CHARGES	5606001	1 545 23		37 077 02
13	5 BANK CHARGES	5606001	15 00		
15	5 BANK CHARGES	5608001	2 79		37 092 02
16	5 BANK CHARGES	5606001	8 38		37 094 81

4203 ALBERT HAKIM LEDGER

A/C. NAME & DESCRIPTION

DOC NO CONTRA

(SUITE)

DEBIT

CREDIT

BALANCE

40401	BANK CHARGES				
16	5	BANK CHARGES	662.50		
16	5	BANK CHARGES		2.79	17.10
20	5	BANK CHARGES		8.38	
20	5	BANK CHARGES	27.93		
20	5	BANK CHARGES		8.38	
20	5	BANK CHARGES	13.00		
21	5	BANK CHARGES	2.23		
21	5	BANK CHARGES	2.23		
21	5	BANK CHARGES	2.23		
21	5	BANK CHARGES	2.23		
21	5	BC RE TR TO ALHON	200.00		58.07
22	5	CSF COMMISSION	195.50		50.22
23	5	BANK CHARGES	2.79		
23	5	BANK CHARGES	8.38		
23	5	BANK CHARGES	8.38		
23	5	BANK CHARGES	2.79		
27	5	BANK CHARGES	25.00		38.25
27	5	BANK CHARGES	16.50		58.29
28	5	BANK CHARGES	9.38		
4	6	BANK CHARGES	2.23		59.30
4	6	BANK CHARGES	16.04		
4	6	BANK CHARGES	1.76		36.33
5	6	BANK CHARGES	3.76		39.34
6	6	CLE SERV. FLD. FEES	8.02		
6	6	BANK CHARGES	112.00		
6	6	BANK CHARGES	3.85		58.63
7	6	BANK CHARGES	8.40		21.42
13	6	BANK CHARGES	8.24		38.60
16	6	BANK CHARGES	3.88		36.48
18	6	COMMISSION	5.90		
18	6	BANK CHARGES	8.02		44.00
18	6	BANK CHARGES	8.02		
20	6	BANK CHARGES	2.67		44.01
20	6	BANK CHARGES	8.02		

1104 H

FROM 01 01 84 TO 04 12 86

4.203 ALBERT HAKIM LEDGER

A/C. NAME & DESCRIPTION

DUC NO CONTRA

(SUITE)

A/C. NAME & DESCRIPTION	DUC NO CONTRA	DEBIT	CREDIT	BALANCE
67 04.01 BANK CHARGES	5609001			
1 6 BANK CHARGES	5603001	2 67		44 021 69
6 BANK CHARGES	5607001	0 02		44 029 71
6 BANK CHARGES	5607001	8 02		
27 6 BANK CHARGES	5609001	8 02		44 045 75
30 6 BANK CHARGES	5609001	8 02		
30 6 BANK CHARGES	5603001	8 02		
30 6 BANK CHARGES	5609001	3 93		
30 6 CLOSING ENTRIES	5603001	5 09 29		
30 6 CLOSING ENTRIES	5606001	1 375 40		
30 6 CLOSING ENTRIES	5607001	9 78		
40 6 CLOSING ENTRIES	5608001	2 250 81		
0 6 CLOSING ENTRIES	5607001	15 241 81		
0 6 BANK CHARGES	5605001	6 91		63 399 32
1 7 BANK CHARGES	5603001	5 67		
1 7 BANK CHARGES	5607001	7 67		63 407 86
2 7 BANK CHARGES	5608001	27 37		
2 7 BANK CHARGES	5608001	27 32		63 462 50
3 7 BANK CHARGES	5607001	8 20		63 470 70
7 7 BANK CHARGES	5608001	8 20		
7 7 BANK CHARGES	5603001	8 20		
7 7 BANK CHARGES	5609001	8 20		
7 7 BANK CHARGES	5609001	8 20		
7 7 CLOSING ENTRIES	5609001	94 55		
7 7 BANK CHARGES	5603001	5 70		63 601 91
8 7 BANK CHARGES	5603001	8 70		63 612 11
9 7 BANK CHARGES	5603001	8 70		63 620 31
14 7 BANK CHARGES	5603001	16 39		
14 7 BANK CHARGES	5608001	25 00		
14 7 BANK CHARGES	5608001	25 00		63 686 70
16 7 BANK CHARGES	5603001	2 63		
16 7 BANK CHARGES	5603001	8 61		
16 7 BANK CHARGES	5606001	5 78		63 701 41
18 7 BANK CHARGES	5608001	11 56		
18 7 BANK CHARGES	5608001	1 149 94		64 864 91
22 7 BANK CHARGES	5606001	5 88		64 870 79
23 7 BANK CHARGES	5603001	8 20		64 878 99

1105 H

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
640401	BANK CHARGES		(SUITE)			
24	7 BANK CHARGES		5606001	2 94		
24	7 BANK CHARGES		5606001	8 20		64 078 35
24	7 BANK CHARGES		5606001	8 20		
25	7 BANK CHARGES		5603001	5 75		
25	7 BANK CHARGES		5609001	5 46		64 909 34
28	7 BANK CHARGES		5603001	8 20		
28	7 BANK CHARGES		5608001	2 73		64 920 47
30	7 BANK CHARGES		5609001	2 19		
30	7 BANK CHARGES		5609001	27 32		
31	7 BANK CHARGES		5609001	8 20		64 938 18
31	7 BANK CHARGES		5603001	8 20		
31	7 BANK CHARGES		5609001	200 00		
1	8 BANK CHARGES		5609001	8 20		65 166 38
5	8 BANK CHARGES		5609001	2 96		65 174 58
20	8 CSF - DAVCO ASSOCIATES - INC		5606001	15 00		65 177 56
20	8 BANK CHARGES		5606001	25 00		
21	8 BANK CHARGES		5606001	8 93		65 217 56
21	8 BANK CHARGES		5603001	8 93		
22	8 CSF CHARGES		5609001	15 00		65 235 42
22	8 BANK CHARGES		5609001	8 93		
22	8 BANK CHARGES		5609001	8 93		
22	8 BANK CHARGES		5603001	5 95		65 280 18
22	8 BANK CHARGES		5607001	5 95		
25	8 BANK CHARGES		5607001	8 93		
25	8 BANK CHARGES		5603001	8 93		
25	8 BANK CHARGES		5607001	17 86		65 333 76
25	8 BANK CHARGES		5607001	17 86		
26	8 BANK CHARGES		5607001	46 70		65 380 46
27	8 BANK CHARGES		5607001	2 98		65 383 46
28	8 BANK CHARGES		5603001	2 98		65 385 82
1	9 BANK CHARGES		5607001	3 03		65 388 85
3	9 BANK CHARGES		5607001	41 09		
3	9 BANK CHARGES		5607001	6 15		65 430 09
5	9 BANK CHARGES		5607001	6 15		
5	9 BANK CHARGES		5607001	2 62		65 444 64
9	9 BANK CHARGES		5607001	18 18		

1106 H

A/C	NAME & DESCRIPTION	DOL NO CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
64.04.01	BANK CHARGES	5607001		18 18		65 481 00
9	BANK CHARGES	5607001		9 09		65 490 09
11	BANK CHARGES	5607001		5 93		
12	BANK CHARGES - SERVID	5607001		56 00		
17	BANK CHARGES	5607001		9 09		65 555 11
17	BANK CHARGES	5607001		9 09		65 564 20
18	BANK CHARGES	5607001		10 00		65 574 20
23	BANK CHARGES	5607001		35 00		65 609 20
24	BANK CHARGES	5607001		25 00		
24	BANK CHARGES	5608001		6 09		
24	BANK CHARGES	5603001		6 12		65 646 41
25	BANK CHARGES	5607001		9 09		
25	BANK CHARGES	5608001		6 09		65 661 59
26	BANK CHARGES	5608001		9 09		
26	BANK CHARGES	5603001		9 09		
26	BANK CHARGES	5607001		30 30		
26	BANK CHARGES	5607001		9 09		65 719 16
27	BANK CHARGES	5603001		9 09		65 728 25
29	BANK CHARGES	5608001		3 03		65 731 28
30	BANK CHARGES TRIM	5606001		215 24		
30	BANK CHARGES TRIM	5607001		153 72		
30	BANK CHARGES TRIM	5609001		691 05		66 792 29
2	BANK CHARGES	5608001		6 13		66 799 17
3	REIMBURSEMENT CIE SERV FID BK CII	5608001		100 00		66 899 12
6	BANK CHARGES	5608001		5 18		
6	BANK CHARGES	5608001		3 18		
6	BANK CHARGES	5608001		9 09		
6	BANK CHARGES COMPLT	5603001		10 03		
6	BANK CHARGES COMPLT	5608001		10 00		66 944 57
8	BANK CHARGES	5608001		7 09		66 953 66
14	BANK CHARGES	5608001		9 09	10 00	66 952 75
14	REIMBURSEMENT CSF	5608001		30 00		
15	BANK CHARGES	5608001		9 09		66 991 84
15	BANK CHARGES	5603001		88 00		
17	BANK CHARGES	5609001		14 25		67 094 09
17	BANK CHARGES	5609001				

1707

H

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
560401	BANK CHARGES	(SUITE)			
20 10	BANK CHARGES	5608001	3 03		67 097 12
22 10	BANK CHARGES	5608001	50 00		67 153 30
22 10	BANK CHARGES	5608001	6 18		67 140 30
23 10	CANCELL. REIMB CAHS BANK CHARGES	640201		13.00	67 146.34
24 10	BANK CHARGES	5603001	6 04		
27 10	BANK CHARGES	5608001	200 00		
27 10	BANK CHARGES	5603001	2.42		67 348 76
28 10	BANK CHARGES	5603001	3 03		
28 10	BANK CHARGES	5608001	30 00		67 381 79
29 10	BANK CHARGES	5608001	3 03		
29 10	BANK CHARGES	5608001	66 93		67 451 75
3 11	BANK CHARGES	5608001	50 00		
3 11	BANK CHARGES	5608001	5 87		67 507 62
5 11	BANK CHARGES	5608001	30 12		
5 11	BANK CHARGES	5608001	30 12		
5 11	BANK CHARGES	5608001	50 00		67 617 86
6 11	BANK CHARGES	5608001	9 04		67 626 90
14 11	BANK CHARGES	5609001	21 57		67 648 47
18 11	BANK CHARGES	5608001	15 00		
18 11	BANK CHARGES	5608001	20 00		67 668 47
25 11	BC	5608001	5 95		
25 11	BANK CHARGES	5608001	3 01		
25 11	BANK CHARGES	5608001	50 00		67 748 45
25 11	BANK CHARGES	5603001	6 07		
28 11	BANK CHARGES	5608001	9 04		
28 11	BANK CHARGES	5603001	9 04		67 766 53
4 12	BANK CHARGES	5608001	9 15		67 775 68

1108

8 3/1 16 595 86

TRANSACT & BALANCE

ALBERT HAKIM
LEDGER

4203

FROM 01 01 84 TO 04 12 86

DOC NO CONTRA

A/C. NAME & DESCRIPTION

CREDIT

DEBIT

BALANCE

1709

A/C.	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
640403	##### BANK CHARGES				
20	5 CSF INV. COM DM 5806 25	890103	5 806 25		
86					
20	5 BANK CHARGES	5603003	18 02		5 824 27
30	6 CLOSING ENTRIES	5603003	55 34		5 879 61
TRANSACT & BALANCE			5 879 61	0 00	5 879 61

4203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

86 12 10 PAGE 1

A/C. NAME & DESCRIPTION

DOC NO CONTRA

DEBIT CREDIT BALANCE

640500 ***** MANAGEMENT FEES

FRS

TRANSACTION BALANCE

0 00 0.00

0.00

1170 H

FROM 01 01 84 TO 04 12 86

DUC NO CONTRA

1111

ALBERT HAKIM
LEDGER

4203

A/C. NAME & DESCRIPTION

640501 ***** MANAGEMENT FEES

8 1 MANAGEMENT FEES 4TH QTR 85

US\$

5.01001

TRANSACTION BALANCE

	DEBIT	CREDIT	BALANCE
	882 45		882 45
	882 45	0.00	882 45

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

DOC NO CONTRA

A/C. NAME & DESCRIPTION

DEBIT	CREDIT	BALANCE
128 20		128 20
-----	0 00	128 20

FRS

650000 ***** TAXES

5610000

3 10 ADMINISTRATION FISCALE CANTONALE

TRANSACT. & BALANCE

1112 H

4203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

A/C. NAME & DESCRIPTION

DOC NO CONTRA

DEBIT CREDIT BALANCE

450001 000000 TAXES

US\$

TRANSACTION & BALANCE

0.00 0.00 0.00

1111 H

4203 ALBERT HAKIM
LEDGER

A/C NAME & DESCRIPTION

FROM 01 01 84 TO 06 12 86

DOC NO CONTRA

86 12 10 PAGE 1

DEBIT

CREDIT

UNBALANCE

H 1114

4203 ALBERT HAKIM
LEDGER FROM 01 84 TO 04 12 86

UCC NO CONTRA

DEBIT

CREDIT

BALANCE

US\$

US\$

425 000 00

7 ***** INCOME

700001 ***** MONEY RECEIVED UNIDENTITY

7	A/C NAME & DESCRIPTION	UCC NO CONTRA	DEBIT	CREDIT	BALANCE
21 12	TR FROM BANCA MERICA INT	5604001		425 000 00	425 000 00-
85					
7	1 TRANSFER FROM AMERICAN EXPRESS	5604001		96 450 00	521 450 00-
16	1 TR FROM AMERICAN EXPRESS	5604001		337 000 00	858 450 00-
17	1 TRANSFER FROM CBS ZUKILIH	5604001		326 543 50	1 184 993 50-
29	1 TRANSFER FROM AMERICAN EXPRESS	5604001		138 000 00	1 322 993 50-
5	3 TR FROM BARCLAYS BANK MUMBAI	5604001	1 199 923 54		2 522 917 04-
14	3 TR FROM BARCLAYS BANK MUMBAI	5604001	499 909 89		3 022 826 93-
29	3 TR FROM BARCLAYS BANK BANGALORE	5604001	2 999 922 03		3 022 748 96-
10	4 TR FROM BARCLAYS BANK MUMBAI	5604001	1 999 903 77		8 067 652 73-
23	4 TR FROM BARCLAYS BANK	5604001	1 199 906 12		9 222 538 85-
2	5 TR FROM BARCLAYS BANK	5604001	246 402 29		9 468 941 14-
21	5 TR FROM BARCLAYS BANK	5604001	80 201 32		9 549 142 46-
31	5 TR FROM BARCLAYS BANK	5604001	299 848 02		9 849 010 52-
5	7 TR FROM BARCLAYS BANK	5604001	569 918 65		10 398 929 17-
21	8 TR FROM JOSEPH LOUIS	5600001	65 000 00		10 463 929 17-
5	9 CM IBC	5600001	130 000 00		10 593 929 17-
20	9 CHG UNPAID IBC	5600001		129 935 86	10 593 865 03-
23	9 CM IBC	5600001		149 915 53	10 743 780 56-
4	11 TR FROM BARCLAYS BANK	5600001	1 000 000 00		11 743 780 56-
20	11 TRANSFER	5600001		299 903 08	12 043 683 64-
17	12 TRANSFER	5600001			
86					
10	1 RECEIVED FROM MUMBAI BK MUMBAI	5600001		60 000 00	12 103 683 64-
22	1 FROM BARCLAYS BANK	5600001		360 000 00	12 463 683 64-
7	2 NEW FUNDS BCCI - MUMBAI CHIRLU	5600001		2 500 000 00	14 963 683 64-
10	2 FROM BCCI - CHASE	5600001		2 500 000 00	17 463 683 64-
18	2 CHECK BCCI	5600001		5 000 000 00	22 463 683 64-
15	5 DISCOUNT BK & TRUST	5600001		225 000 00	22 688 683 64-
16	5 DISCOUNT BK & TRUST	5600001		1 460 000 00	
16	5 TRANSFER	5600001			22 688 683 64-

224 438 00

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM LEDGER

A/C.	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
700001	MONEY RECEIVED UNIDENTIFY				
16 5	BANK CHARGES	660601	562 00		23 973 683 64-
24 9	CASH DEPOSIT	5608001		1 200 000 00	25 173 683 64-
29 10	CHECK DEUTSCHE BK FRANCKF	5608001		3 600 000 00	28 773 683 64-

(SUITE)

9 177

TRANSACTION & BALANCE

#

35,000 00 29 078 683 64 28 723 683 64-

86 12 10 PAGE 1

FROM 01 01 84 TO 04 12 86

DOC NO CONTRA

7777

4203 ALBERT HAKIM
LEDGER

A/C NAME & DESCRIPTION

700201 ***** U B S FRIBOURG

24 7 TRANSFER FROM AUDIFI
85
26 7 TRANSFER FROM AUDIFI
5 8 TRANSFER FROM AUDIFI

DEBIT	CREDIT	BALANCE
	500 000 00	500 000 00-
	500 000 00	1 000 000 00-
	392 000 00	1 392 000 00-

0 00 1	392 000 00	1 392 000 00-

TRANSACT & BALANCE

4203 ALBERT HAKIM
 LEDGER

FROM 01 01 84 TO 04 12 86

86 12 10 PAGE 1

R/C. NAME & DESCRIPTION UUC NO CONTRA US\$

700301 ***** ALBERT HAKIM 5000001

3 9 CASH RECEIVED

TRANSACTION & BALANCE

DEBIT	CREDIT	BALANCE
	2 400 00	2 400 00-
U 00	2 400 00	2 400 00-

8111 =

FROM 01 01 84 TO 04 12 86

DOC NO CONTRA

US\$

A/C. NAME & DESCRIPTION

700401 ***** SAM LOEW

20 9 TR FROM SAM LOEW

86

18 2 SAM LOEW

TRANSACTION & BALANCE

DEBIT	CREDIT	BALANCE
	1 000 000.00	1 000 000.00-
	1 000 000.00	2 000 000.00
U 00	2 000 000.00	2 000 000.00-

6.11

FROM 01 01 84 TO 04 12 86

1120 H

4203 ALBERT HAKIM
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
700501	***** I C INC.				
11 10	TR FROM IC INC.	5600001		99 947 68	99 947 68-
85					
18 11	TR FROM IC INC	5600001		47 973 65	147 921 33-
86					
15 4	IC INC	5600001		649 852 65	197 773 96-
TRANSACT. & BALANCE			U 00	197 773 96	197 773 96-

FROM 01 01 84 TO 04 12 86

LOC NO CONTRA

4203 ALBERT HAKIM
LEDGER

A/C NAME & DESCRIPTION

700601 888888 SBS PANAMA
18 7 TR FRM SBS GENEVA

US\$
5604001

DEBIT CREDIT BALANCE

950 000.00	950 000.00	950 000.00-
0.00	950 000.00	950 000.00-

TRANSACTION & BALANCE

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	CUR	DEBIT	CREDIT	BALANCE
700701	***** TRIVERT INT'L			US\$			
14 5	TRIVERT INT.			5600001		10 000 000 00	10 000 000 00-
	TRANSACT & BALANCE				0 00 10 000 000 00		10 000 000 00-

21
21

FROM 01 01 84 TO 04 12 86

DOC NO CONTRA

112

US\$

5600001

#

4203 ALBERT HAKIM
LEDGER

A/C. NAME & DESCRIPTION

700801 ***** GARNET OVERSEAS

16 5 GARNET OVERSEAS

TRANSACT & BALANCE

DEBIT CREDIT BALANCE

5 000 000.00 5 000 000.00-

0 00 5 000 000.00 5 000 000 00-

4203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

1124

H

A/C	NAME & DESCRIPTION	DUC NO CONTRA	US\$	DEBIT	CREDIT	BALANCE
*70001	***** INT EARNED WITH LAKL RESOURCES					
		5004001				
23	2 INTEREST				1 429 00	1 429 00-
85						
26	8 INTEREST	5000001			5 920 13	7 349 13-
6	9 INTEREST	5000001			2 368 34	9 717 47-
1	10 INTEREST	5000001			802 09	10 519 56-
2	10 INTEREST	5000001			85 94	
2	10 INTEREST	5000001			830 75	11 350 31-
7	10 INTEREST	5000001			2 489 47	13 839 78-
7	11 INTEREST	5000001			2 497 22	
7	11 INTEREST	5000001			5 087 50	18 927 28-
18	11 INTEREST	5000001			1 134 38	20 061 66-
6	12 INTEREST	5000001			2 920 14	22 981 80-
86						25 901 94-
21	2 INTEREST	5000001			993 06	26 894 00-

TRANSACTION & BALANCE

0 000 26 558 00 26 558 00-

86 12 10 PAUL 1

A/C.	NAME & DESCRIPTION	UOC NO CONTRA	DEBIT	CREDIT	BALANCE
770101	***** INT EARNED WITH CSF INVESTMENTS	US\$			
6	1 INTEREST	5601001		2 415.42	2 415.42-
86	1 INTEREST	5601001		9 145.90	11 561.32-
22	1 INTEREST	5601001		292.91	11 854.23-
31	1 INTEREST	5601001		2 358.86	14 213.09-
6	2 INTEREST	5601001		346.35	14 559.44-
7	2 INTEREST	5601001		168.06	14 727.50-
11	2 INTEREST	5601001		1 096.18	15 823.68-
18	2 INTEREST	5601001		103.12	15 926.80-
19	2 INTEREST	5601001		541.46	
25	2 INTEREST	5601001		20.00	16 468.26-
25	2 ADJ INT	5601001		2 128.50	16 616.76-
6	3 INTEREST	5601001			
			U 00	18 616.76	16 616.76-

FROM 01 01 84 TO 04 12 86

1125

H

TRANSACT & BALANCE

4203 ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

86 12 10 PHIL 1

A/C NAME & DESCRIPTION

DGC NO CONTRA

CREDIT

DEBIT

BALANCE

770201 ***** INT EARNED WITH GULF MARKETING US\$

- 19 2 INTEREST
- 86 2 INTEREST
- 5 3 INTEREST
- 21 5 INTEREST

5602001
5602001
5602001
5602001

1 006.95
8 317.85-
15 649.93-
57 529.10-

1126

H

TRANSACTION & BALANCE

0 00 37 529.10 37 529.10-

4203 ALBERT HAKIM FROM 01 84 TO 04 12 86

LEDGER

A/C NAME & DESCRIPTION

DOC. NO CONTRA

770301 ***** INT EARNED WITH DOLBY BUSINESS US\$

TRANSACTION & BALANCE

DEBIT CREDIT BALANCE

0 00 0 00 0 00

1127 H

4203 A/C NAME & DESCRIPTION
DOC NO CONTRA

770401 ***** INT. EARNED WITH ENERGY RESOURCES US\$

	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
23	2	ADJ. INT		0.59	0.59-
85					
24	3	INTEREST		3 457.35	3 457.94-
25	4	INTEREST		18 869.09	22 327.03-
13	5	INTEREST		11 589.59	33 916.62-
15	5	INTEREST		676.05	34 592.67-
22	5	INTEREST		2 099.83	36 692.50-
29	5	INTEREST		1 830.73	38 523.23-
5	6	ON CALL		1 805.55	40 328.78-
12	6	INTEREST		2 109.73	42 438.51-
19	6	INTEREST		2 109.73	44 548.24-
26	6	INTEREST		1 916.67	46 464.91-
3	7	INTEREST		2 062.50	48 527.41-
10	7	INTEREST		2 078.13	50 605.54-
17	7	INTEREST		2 473.96	53 079.50-
4	7	INTEREST		2 196.87	55 276.37-
1	8	INTEREST		1 175.83	56 452.20-
1	8	INTEREST		591.07	57 043.27-
1	8	INTEREST		357.71	57 400.98-
1	8	INTEREST		353.28	57 754.26-
28	8	INTEREST		353.28	58 107.54-
4	9	INTEREST		353.28	58 460.82-
11	9	INTEREST		362.14	58 822.96-
17	9	INTEREST		313.44	59 136.40

1128 H

TRANSACT & BALANCE 59 136.40 59 136.40

4203	ALBERT HAKIM	FRM 01 01 84 TO 04 12 86	86 12 10	PHGE	1
A/C.	NAME & DESCRIPTION	UOC NO CONTRA	DEBIT	CREDIT	BALANCE
770601	***** INT. EARNED WITH ALBON VALUES	US\$			
13	3 INTEREST	5606001		4 583.34	4 583.34-
86					
16	4 INTEREST	5606001	18 770.83		23 354.17-
17	4 INTEREST	5606001	1 500.00		23 854.17-
22	4 INTEREST	5606001	1 900.00		25 754.17-
28	4 INTEREST	5606001	2 005.00		27 759.17-
6	5 INTEREST	5606001	2 373.33		30 132.50-
7	5 INTEREST	5606001	266.67		30 399.17-
12	5 INTEREST	5606001	1 250.00		31 649.17-
15	5 INTEREST	5606001	600.00		32 249.17-
21	5 INTEREST	5606001	988.33		33 237.50-
22	5 INTEREST	5606001	55.00		33 292.50-
28	5 INTEREST	5606001	280.00		33 572.50-
4	6 INTEREST	5606001	291.66		33 864.16-
18	7 INTEREST	5606001	520.83		34 000.12-
18	7 INTEREST	5606001	495.13		35 133.25-
23	7 INTEREST	5606001	253.13		35 198.88-
23	7 INTEREST	5606001	65.63		35 198.88-
24	7 INTEREST	5606001	90.00		35 330.88-
24	7 INTEREST	5606001	50.00		35 330.88-
			0 00	35 338.88	35 338.88-

1129 H

TRANSACTION & BALANCE

ALBERT HAKIM
LEDGER
FROM 01 01 84 TO 04 12 86

86 12 10 PAGE 1

CREDIT

DEBIT

DUPLICATE

DUPLICATE

DUPLICATE

A/C.	NAME & DESCRIPTION	DUPLICATE	DUPLICATE	DUPLICATE	DUPLICATE
770701	***** INT EARNED WITH TOYCO SA	US\$			
30	6 INTEREST	5607001	5 784.72		5 784.72-
86					
31	7 INTEREST	5607001	7 465.46		13 250.18-
25	8 INTEREST	5607001	5 379.17		18 629.35-

1730 H

TRANSACTION & BALANCE

0 00

18 629.35

18 629.35-

ALBERT HAKIM
LEDGER

FROM 01 01 84 TO 04 12 86

DOC NO CONTRA

US\$

TRANSACTION & BALANCE

A/C.	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
770801	***** INI EARNED WITH HYDE PARK			5 566.68	5 566.68-
22 5	INTEREST	5608001			
86				900.00	6 466.68-
23 5	INTEREST	5608001		8 641.67	15 108.35-
28 5	INTEREST	5608001		1 341.66	16 450.01-
29 5	INTEREST	5608001		7 991.66	24 441.67-
4 6	INTEREST	5608001		2 633.34	27 075.01-
6 6	INTEREST	5608001		15 600.00	42 675.01-
18 6	INTEREST	5608001		2 000.00	44 675.01-
24 6	INTEREST	5608001		975.00	45 650.01-
27 6	INTEREST	5608001		1 583.34	47 033.35-
2 7	INTEREST	5608001		1 541.67	48 575.02-
14 7	INTEREST	5608001		2 065.00	50 640.02-
15 7	INTEREST	5608001		283.33	51 923.35-
22 7	INTEREST	5608001		271.67	51 792.24-
22 7	INTEREST	5608001		397.22	52 042.24-
22 7	INTEREST	5608001		250.00	52 465.15-
24 7	INTEREST	5608001		422.91	53 230.77-
3 10	INT ON CALL	5608001		765.62	53 230.77-
10 10	INTEREST ON CALL	5608001		568.09	53 778.86-
7 10	INTEREST ON CALL	5608001		403.72	54 398.13-
29 10	INTEREST ON CALL	5608001		213.55	59 864.83-
30 11	INTEREST	5608001		5 666.70	59 864.83-

H
1131

TRANSACTION & BALANCE

U UU 59 864.83

ALBERT HAKIM
LEDGER
FROM 01 01 84 TO 04 12 86

A/C. NAME & DESCRIPTION

DOC NO CONTRA

DEBIT

CREDIT

BALANCE

A/C.	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
770901	***** INT EARNED WITH UDALL RESEARCH	US\$			
23	5 INTEREST	5609001		500 00	500 00-
86					
31	5 INTEREST	5609001		603.99	1 103 99-
30	6 INTEREST	5609001		1 786.46	2 890 45-
31	7 INTEREST	5609001		1 804.69	4 695.14-
4	8 INTEREST	5609001		219.97	4 915 11-

1732 H

TRANSACT & BALANCE

0.00

4 915.11

4 915 11-

4203 ALBERT MAKIM
LEDGER
A/C. NAME & DESCRIPTION

FROM 01 01 84 TO 04 12 86
DOC NO CONTRA

86 12 10 PAGE 1

DEBIT CREDIT BALANCE

H 1133

5203 ALBERT HAKIM
 LEDGER

86 12 10 1964

2

A/C. NAME & DESCRIPTION

8 ***** FOREX US\$

890001 ***** EQUIVALENT DFR / US\$

28 5 CASH DFR 50000.00

TRANSACTION & BALANCE

1734 H

DEBIT

CREDIT

BALANCE

50 000.00	50 000.00	26 525.20	26 525.20
50 000.00	50 000.00	26 525.20	26 525.20
		0 00	0 00

4203 ALBERT HAKIM

LEDGER FROM 01 01 84 TO 04 12 86

PRICE 1

A/C. NAME & DESCRIPTION

DOC NO CONTRA

DEBIT

CREDIT

BALANCE

010100	***** FOREX POSITION SFR	FRS			
28 5	DEPOSIT	5610000	26 525 20--	50 000 00	50 000 00--

TRANSACT. & BALANCE			0 00	50 000.00	50 000.00--
---------------------	--	--	------	-----------	-------------

1135 H

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

A/C. NAME & DESCRIPTION DOC NO CONTRA D.M DEBIT CREDIT BALANCE

A/C.	NAME & DESCRIPTION	DOC NO	CONTRA	D.M	DEBIT	CREDIT	BALANCE
020103	***** FOREX POSITION DM						
20	5 CSF INV. COM DM 5806.25	640403		2 645.40-		5 806.25	5 806.25-
86							
21	5 CHANGE & DM FFR CSF INV.	5603003		50 259.50-		110 318.75	116 125.00-
4	7 CLOSING DM ACCT	5603003		33.88-		73.36	116 198.36-

TRANSACTION & BALANCE 52 938 78- 0 00 116 198.36 116 198.36-

1136 H

4203 ALBERT HAKIM
 LEDGER

FROM 01 01 84 TO 04 12 86

86 12 10 PAGE 1

A/C.	NAME & DESCRIPTION	DUC NO CONTRA	DEBIT	CREDIT	BALANCE
.90301	000000 EQUIVALENT DM / US\$				
20	5 CSF INV 116125DM+5806.25 AT 2 19	5603001	52 904 90		52 904 90
86					
4	7 CLOSING DM ACCI	5663001	33 88		52 938 78
	TRANSACT. & BALANCE		52 938 78	0.00	52 938 78

1137 H

0

4203 ALBERT MAXIM
 LEDGER

FROM 01 01 84 TO 04 12 86

86 12 10 P/CL 1

A/C. NAME & DESCRIPTION

DOC NO CONTRA

DEBIT

CREDIT

BALANCE

8211 H 1138

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM
LEDGER

DEBIT CREDIT BALANCE

A/C. NAME & DESCRIPTION

DOC NO CONTRA

9 ***** TRANSIT ACCOUNTS

US\$

999900 ***** TRANSIT ACCOUNTS

FRS

TRANSACT & BALANCE

0 00

0.00

0 00

1139 H

A/C. NAME & DESCRIPTION

DOC NO CONTRA

US\$

999901 999999 TRANSIT ACCOUNTS

A/C. NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
18 2 CASH WITHDRAWAL	4999001		5 000.00	5 000.00-
20 2 CASH WITHDRAWAL	4999001		22 000.00	27 000.00-
25 2 CASH WITHDRAWAL	5604001	15 000.00		12 000.00-
16 4 TR TO LEE YUN	4999001		3 000.00	15 000.00-
24 4 CHG K. PHILLIPS	4999001		5 000.00	20 000.00-
10 6 TR TO BK OF KOBEA	4999001		5 000.00	25 000.00-
14 11 TR TO SCITECH	4999001		67 340.00	92 340.00-
85				
7 2 TR TO KOREL	4999001		165 000.00	257 340.00-
20 2 CASH WITHDRAWAL	4999001		20 000.00	277 340.00-
20 3 CASH WITHDRAWAL	4999001		3 000.00	280 340.00-
25 3 CASH WITHDRAWAL	4999001		3 000.00	
25 3 TR TO KHALID RASHID	4999001		31 817.00	315 157.00-
12 4 CASH WITHDRAWAL	4999001		5 000.00	320 157.00-
3 4 TR TO BARCLAYS BANK CALIF	4999001		10 000.00	
3 4 CASH WITHDRAWAL	4999001		7 000.00	
3 4 TRANSFER	5604001	20 000.00		
9 4 TR TO BANK OF AMERICA	4999001		12 800.00	317 157.00-
10 4 CHG TO T. GREEN	4999001		329 957.00-	
12 4 TR TO RVIS	4999001		45 000.00	374 957.00-
12 4 TR TO RVS	4999001		101 926.78	
16 4 TR TO ALBERT HAKIM	4999001		118 336.00	595 219.78-
16 4 TRANSFER	5604001	20 000.00		
18 4 TRANSFER TO DEFEX	603101	37 030.00		625 219.78-
18 4 TR TO R. GOUDING	5604001		37 030.00	625 219.78-
19 4 CASH ADVANCE	5604001		7 000.00	617 219.78-
29 4 CASH WITHDRAWAL	4999001	15 000.00		
8 5 CASH WITHDRAWAL	4999001		7 000.00	625 219.78-
6 5 CASH WITHDRAWAL	5604001		5 000.00	509 219.78-
7 5 TR TO CS PARIS	603401	116 000.00		
16 5 TR TO 6006	603401	436 742.12		
16 5 TRANSFER TO DEFEX	604001	150 000.00		75 522.34
17 5 TR TO FIRST AMERICAN BK	5604001	90 000.00		165 522.34
21 5 TR TO CIE DE SERV FID RE LU	4999001		250 000.00	84 477.66-

1140 H

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
999901	TRANSIT ACCOUNTS		(SUITE)			
24	5 PMT HOTEL INTERCON SFR 578	4999001			224 12	84 701 78-
30	5 TR TO BK OF KOREA	4999001			50 000 00	134 701 78
7	6 TR TO A HAKIM	4999001			30 000 00	164 701 78-
17	6 TRANSFER TO DEFEK	603001		3 000 00		
17	6 FUNDS RETURNED UNPAID	4999001		50 000 00		111 701 78-
18	6 TRANSFER TO DEFEK	603801		50 000 00		
18	6 TR TO DK OF KOHEA	4999001		50 000 00		106 701 78-
3	7 CASH WITHDRAWAL	4999001			45 000 00	
3	7 CASH WITHDRAWAL	4999001			420 17	
3	7 TR TO FIRST AMERICAN BK	4999001		25 000 00	210 08	
5	7 TR TO AH THRU RNB	4999001			20 050 00	82 332 03-
10	7 TR TO PHILLIPS	4999001			4 000 00	102 382 03-
15	7 CASH WITHDRAWAL	4999001			20 300 00	106 382 03-
16	7 CASH WITHDRAWAL	4999001			2 500 00	126 682 03-
16	7 CASH WITHDRAWAL	4999001			2 500 00	
16	7 WITHDRAWAL US\$ NOTES	5604001			2 500 00	
19	7 CASH WITHDRAWAL	4999001		206 090 35		74 408 32
22	7 TR TO LOS GATOS	4999001			7 000 00	67 408 32
16	8 CASH WITHDRAWAL	4999001			75 000 00	7 591 68-
28	8 TRANSFER TO DEFEK	601601			2 943 46	10 535 14-
28	8 CASH WITHDRAWAL	4999001		48 560 00		
28	8 TRANSFER	4999001			10 000 00	20 535 14-
3	9 CASH WITHDRAWAL	4999001			7 000 00	27 535 14-
17	9 CASH WITHDRAWAL	4999001			10 000 00	
17	9 CASH WITHDRAWAL	4999001			2 000 00	39 535 14-
20	9 CHG K. PHILLIPS	4999001			2 000 00	
20	9 CHG K. PHILLIPS	4999001		0 00		41 535 14-
23	9 TRANSFER TO DEFEK	602301		9 500 00		
23	9 CASH WITHDRAWAL	4999001			11 500 00	
23	9 CHG KEUN SIK WON	4999001			9 500 00	55 035 14-
24	9 CASH WITHDRAWAL	4999001			5 000 30	58 035 44-
1	10 CHG K. PHILLIPS	4999001			2 000 00	60 035 44-
4	10 CASH SOONI HAKIM	4999001			1 500 00	61 535 44-
15	10 CASH WITHDRAWAL	4999001			2 000 00	63 535 44-
23	10 CASH WITHDRAWAL	4999001			9 000 00	72 535 44-
25	10 CHG K. PHILLIPS	4999001			2 000 00	74 535 44-

11744 H

AVC.	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
999901	TRANSIT ACCOUNTS					
28 10	CASH WITHDRAWAL		4999001		102 000.00	176 535 44-
7 11	CASH WITHDRAWAL SFR 2000 -		4999001		943.40	177 478 84-
12 11	CASH WITHDRAWAL		4999001		7 000.00	184 478 84-
14 11	TR TO CIE DE SERV FID RE AH		4999001		43 030.00	227 508 84-
15 11	TR TO CIE DE SERV FID RE AH		4999001		20 000.00	247 508 84-
15 11	CASH WITHDRAWAL		4999001		25 000.00	272 508 84-
18 11	TRANSFER FROM LAKE RES.		5601001	80 000.00		272 508 84-
18 11	TRANSFER TO CSF INV. LTD		5601001		870 000.00	
22 11	TRANSFER FROM LAKE RES		5601001			
22 11	TRANSFER TO CSF INV. LTD		5600001			
25 11	CASH WITHDRAWAL		4999001			
25 11	TRANSFER TO DEFEX		601201	17 000.00		
25 11	CHQ K PHILLIPS		4999001			
3 12	PAT VITA ZURICH SFR 19844 80		4999001		2 000.00	278 978 84-
3 12	PAT VITA ZURICH SFR 8'332 -		4999001		9 529.32	
6 12	TRANSFER FROM LAKE RES		5601001		4 000.96	292 509 12-
6 12	TRANSFER TO CSF INV LTD		5601001		390 000.00	
16 12	CASH WITHDRAWAL SFR 5000 -		4999001			
17 12	BAL OF ACCT PHASE I-II-III		4999001		2 386.63	292 509 12-
17 12	PROFIT DISTRIBUTION PHASE IV		4999001		82 031.09	294 095 75-
17 12	PROFIT DISTRIBUTION PHASE IV		4999001		100 800.00	
17 12	PROFIT DISTRIBUTION PHASE IV		4999001		100 800.00	
17 12	REF CHQ K PHILLIPS		4999001	2 000.00		
17 12	PROFIT DISTRIBUTION PHASE IV		5601001	50 400.00		
20 12	TRANSFER FROM LAKE RES		5601001		299 000.00	526 126 84-
20 12	TRANSFER TO CSF INV. LTD		5600001			
86				299 000.00		526 126 84-
21 1	TRANSFER TO DEFEX		601201	10 000.00		
21 1	TR TO HOWARD RICE		4999001		20 000.00	526 126 84-
2 2	TR TO SCITECH		4999001		100 000.00	626 126 84-
2 2	TR TO A. HAKIM		4999001		165 000.00	791 126 84-
13 2	TRANSFER TO DEFEX		601501	10 000.00		
13 2	CHQ TO A. GREEN		4999001		35 000.00	746 126 84
18 2	TRANSFER		4999001			731 126 84-
19 2	CASH WITHDRAWAL		4999001		1 351.42	732 478 26-
26 2	TRANSFER TO DEFEX		601701	1 670.50		
26 2	TRANSFER TO SHARP GREEN & LANK FU		4999001		1 670.50	732 478 26-

1742

#

85 12 10 PAGE 4

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM LEDGER

A/C	NAME & DESCRIPTION	INCL NO CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
999901	TRANSIT ACCOUNTS					
5	3 CASH WITHDRAWAL	5602001		5 000 000 00	2 000 000 00	
5	3 CSF INV AH/SUB A/C	600201			2 000 000 00	267 521 74
5	3 CSF INV AH/SUB A/C	4999001			3 000 000 00	2 732 478 26
6	3 DEPOSIT (5605830 - SFR)	5606001			28 000 000 00	
18	3 CIE SRV FID CASH AH	4999001			50 000 000 00	2 810 478 26
18	3 CSF INV CASH AH	4999001			248 750 000 00	
10	4 CASH DEPOSIT	5602001			1 250 00	3 060 478 26
10	4 BANK CHARGES VERST CASH LULF	640601		25 000 000 00	199 000 000 00	3 035 478 26
14	4 TRANSFER	5602001				3 234 478 26
15	4 CASH DEPOSIT	5602001		3 225 00		
17	4 WITH TR TO UALL	5600001		450 000 000 00		
17	4 CSF INV LTD WITH CASH	5606001				
17	4 BANK CHARGES	640601			1 000 00	
17	4 AGIOS	600601			3 225 00	
17	4 TR FROM 6032	600601		2 385 261 75	2 385 261 75	
17	4 TR TO 6006	603201				
17	4 AH SFR 136734 YU	4999001			72 580 00	
17	4 CASH ALBERT HAKIM	4999001			3 000 00	
17	4 CSF INV LTD	4999001			15 000 00	2 876 058 26
18	4 CSF REIMBT KHALID WASHIO	4999001		31 817 00		2 846 241 26
22	4 REIMBT DEFEX	5602001			25 000 00	2 869 241 26
28	4 CASH PASSPORT USA	4999001			6 975 00	
28	4 CSF CHQ RVS	4999001			28 111 00	2 902 327 26
2	5 TRANSFER	5606001		2 274 80		2 900 052 46
16	5 CASH WITHDRAWAL	600001		224 438 00		
16	5 WITHDRAWAL CASH FROM BANK	600001		434 742 12		
16	5 TR FROM 6034	600601		150 000 00		
16	5 TR TO TRR	4999001				3 484 794 58
20	5 TRANSFER TO DEFEX	600301				
20	5 TRANSFER TO DEFEX	604201		557 373 66		
20	5 CIE SERV FID AH	4999001		200 000 00		
20	5 CSF RVS	4999001			26 490 00	
20	5 CIE SERV FID SCITECH	4999001			26 490 00	
20	5 CSF INV RE BUTION	4999001			8 833 00	
20	5 TRANSFER	5606001			200 000 00	
21	5 CASH WITHDRAWAL	5600001		260 000 00		3 072 743 72

1143

#

FROM 01 01 84 TO 04 12 86

4203 ALBERT HAKIM LEDGER

V/C. NAME & DESCRIPTION

DOC NO CONTRA

(SUITE)

V/C.	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
1 7901	TRANSIT ACCOUNTS				
21 5	WITHDRAWAL CASH FROM LAKE	600001		260 000.00	
21 5	CSF INV. AH SUB A/C 1	4999001		10 000.00	
22 5	CASH WITHDRAWAL	4999001		60 300.00	3 143 043.72-
22 5	CSF INV. RE SCITECH	4999001		100 000.00	3 243 043.72-
27 5	CIE DE SERV FID RE AH	4999001		500 000.00	3 743 043.72-
27 5	CASH	4999001		10 000.00	3 753 043.72-
1 6	TRANSFER TO DEFEX	65609001	3 774 282.87		
1 6	TRANSFER TO DEFEX	65609001	300 563.00		
1 6	TRANSFER TO DEFEX	65609001	24 167.00		
1 6	TRANSFER TO DEFEX	65609001	19 167.00		
3 6	TR TO CSF INV. RE AH	4999001		79 167.00	
3 6	TR TO CSF INV. RE SCITECH	4999001		26 398.00	
3 6	TR TO CSF INV. RE KOREL	4999001		79 167.00	
3 6	TR TO CSF INV. RE C TEA	4999001		79 167.00	
30 6	TRANSFER			656 255.51	
27 8	UBS FRIBOURG - DEFEX	5607001	861 327.00		
27 8	TRANSFER FROM DEFEX				
17 10	PRELEVY CASH		2 512.00		2 512.00
13 10	CANCELLATION REIMBT CASH	640201		2 512.00	0.00

TRANSACT. & BALANCE

17 652 902.25 17 652 902.25

1

86 12 10 FINCL

FROM 01 01 84 TO 04 12 86

ALBERT HAKIM
LEDGER

4203

DOC NO CONTRA

A/C NAME & DESCRIPTION

BALANCE

CREDIT

DEBIT

0 00

244 393 489 67244 393 489 67

GRAND TOTALS

1145 H

11 02756
Chayin CC
Foshing 10

07 05 27 PAGE 1
1 01 87 TO 31 05 87
BALANCE
CURRENCY US\$

TRIAL BALANCE FROM
BALANCE

064 HAKIM ALBERT
/C. DESCRIPTION

CAPITAL US\$

00001 CAPITAL CONTRIBUTIONS/WITHDRAWALS	US\$	8 831.06
01001 CAPITAL INVESTED	US\$	258 000.03-
TOTAL GROUP		249 168.97-

ASSETS & LIABILITIES US\$

51801 SECURITIES - MERRILL LYNCH	US\$	255 071.00
600001 CASH ACCOUNT	US\$	158.64-
TOTAL GROUP		254 912.36

P/L. NET BALANCE (1-5)

5 743.39

CHARGES US\$

0.00

TOTAL GROUP

04 HAKIM ALBERT

87 05 27 PAGE 2
1 01 87 TO 31 05 87
BALANCE
CURRENCY US\$

TRIAL BALANCE FROM
BALANCE

DESCRIPTION

INCOME

US\$

INCOME

US\$

1101 INTEREST EARNED ON BONDS
1201 INTEREST EARNED ON DEPOSITS

4 421.78-
1 321.61-

4 421.78-
1 321.61-

TOTAL GROUP

5 743.39-

TRANSIT ACCOUNTS

US\$

TOTAL GROUP

0 00

GRAND TOTALS

0.00

0.00

SFR 66.1813
MKF 22.5734
HK\$ 12.8222
\$AU 69.9007

87 05 27 PAGE 2
POR 18

FROM 01 01 87 TO 31 05 87

HAKIM ALBERT
SECURITIES T/B BY DEPOT

A/C	NAME & DESCRIPTION	BALANCE	DEBIT	CREDIT	PRICE
1189A	6.8750 MERRILL LYNCH 8/7/87	255071+	255 071.00		1.00 0000

	TOTALS		255 071.00	H 02758	

4.224 AH/SUB A/C # 1
 H/C DESCRIPTION

TRIAL BALANCE FROM
 BALANCE

87 05 27 PAGE 1
 1 01 87 TO 31 05 87
 BALANCE
 CURRENCY US\$

H 02760

1	CAPITAL *****	US\$		
100001	CAPITAL CONTRIBUTIONS/WITHDRAWALS	US\$	1 767 12	1 767 12
101001	CAPITAL INVESTED	US\$	2 123 986 34-	2 123 986 34-
	TOTAL GROUP			2 122 219 22-
5	ASSETS & LIABILITIES *****	US\$		
551801	SECURITIES - MERRILL LYNCH	US\$	2 168 108 00	2 168 108 00
55600001	CASH ACCOUNT	US\$	2 736 85	2 736 85
	TOTAL GROUP			2 170 844 85
	P/L NET BALANCE (1-5)			48 625 63
6	CHARGES *****	US\$		
7	INCOME *****	US\$		
771101	INTEREST EARNED ON BONDS	US\$	37 391.90-	37 391 90-
772201	INTEREST EARNED ON FTD	US\$	11 233 73-	11 233 73-
8000	DEBTOR BY GUARANTEE	US\$		

024 AH/SUB. A/C # 1
0/C DESCRIPTION

87 05 27 PAGE 2
1 01 87 TO 31 05 87
TRIAL BALANCE FROM
BALANCE
CURRENCY US\$ 0 00 || 02761

TRIAL BALANCE FROM
BALANCE

01 GUARANTEE FURNISHED

US\$

0.00

TOTAL GROUP

48 625.63-

TRANSIT ACCOUNTS

US\$

TOTAL GROUP

0.00

GRAND TOTALS

0.00

MIKF 22.5734

87 05 27 PAGE 2
POR 18

FROM 01 01 87 TO 31 05 87

AH/SUB A/C # 1
SECURITIES T/B BY DEPOT

NAME & DESCRIPTION	BALANCE	DEBIT	CREDIT	PRICE
6.8750 MERRILL LYNCH 8/7/87	2168108.00	2168108.00		1.00 0000
TOTALS		2168108.00	2168108.00	

H 02762

87 05 27 PAGE 1
1 01 87 TO 31 05 87
BALANCE
CURRENCY US\$

II 02763

TRIAL BALANCE FROM
BALANCE

U AH/SUB A/C # 2
DESCRIPTION

CAPITAL	US\$	
#####		
1001 CAPITAL INVESTED	US\$	2 046 830 23-
TOTAL GROUP		----- 2 046 830 23-

ASSETS & LIABILITIES	US\$	
#####		
1801 SECURITIES - MERRILL LYNCH	US\$	2 071 181 00
00001 CASH ACCOUNT	US\$	22 114 21
TOTAL GROUP		----- 2 093 295 21

P/L NET BALANCE (1-5)		46 464 98
CHARGES	US\$	
#####		
TOTAL GROUP		----- 0 00

4230 AH/SUB A/C # 2

87 05 27 PAGE 2
1 01 87 TO 31 05 87

TRIAL BALANCE FROM BALANCE CURRENCY US\$

INCOME

US\$ 02764

771101 INTEREST EARNED ON BONDS US\$ 35 733.46-
772201 INTEREST EARNED ON FTD US\$ 10 731.52-
80 CONTINGENT LIABILITIES US\$

800 DEBTOR BY GUARANTEE US\$

0.00

101 GUARANTEE FURNISHED US\$

0.00

0.00

TOTAL CONTINGENT LIABILITIES

TOTAL GROUP
P/L NET BALANCE (6-8)

66 464.98-

66 464.98-

10 AH/SUB A/C # 2
DESCRIPTION

87 05 27 PAGE 3
1 01 87 TO 31 05 87
TRIAL BALANCE FROM
BALANCE
CURRENCY US\$

US\$

TRANSIT ACCOUNTS
#####

|| 02765

TOTAL GROUP

0.00

GRAND TOTALS

0.00

0.00

HKF

22.5734

31 AH/SUB. A/C # 3
/C DESCRIPTION

87 05 27 PAGE 1
1 01 87 TO 31 05 87
TRIAL BALANCE FROM
BALANCE
CURRENCY US\$

H 02767

CAPITAL

US\$

01001 CAPITAL INVESTED US\$ 156 659.26-

156 659.26-

156 659.26-

TOTAL GROUP

ASSETS & LIABILITIES

US\$

51801 SECURITIES - MERRILL LYNCH
600001 CASH ACCOUNT US\$ 158 144.00
US\$ 2 066.89

158 144.00
2 066.89

160 210.89

TOTAL GROUP

P/L NET BALANCE (1-5)

3 551.63

CHARGES

US\$

TOTAL GROUP

0.00

231 AH/SUB, A/C # 3
DESCRIPTION

87 05 27 PAGE 2
1 01 87 TO 31 05 87
BALANCE
CURRENCY US\$

INCOME

US\$

71101 INTEREST EARNED ON BONDS
72201 INTEREST EARNED ON FTD

US\$ 2 732.23-
US\$ 819.40-

TOTAL GROUP

3 551.63-

H 02768

TRANSIT ACCOUNTS

US\$

TOTAL GROUP

0.00

GRAND TOTALS

0.00

0.00

PKF

22.5734

4.231 AH/SUB. A/C # 3 FROM 01 01 87 TO 31 05 87 87 05 27 PAGE 2
SECURITIES T/B BY DEPOT POR 18

A/C	NAME & DESCRIPTION	BALANCE	DEBIT	CREDIT	PRICE
1189A	6 8750 MERRILL LYNCH 8/7/87	158144+	158 144 00		1 00 0000
				
	TOTALS		158 144 00		

H 02769

87 05 27 PAGE 1
 1 01 87 TO 31 05 87
 BALANCE
 CURRENCY US\$

H 027'0

TRIAL BALANCE FROM
 BALANCE

SCITECH TRADING GROUP INC
 DESCRIPTION

CAPITAL	US\$		
#####			
0001 CAPITAL INVESTED	US\$	189 370.13-	189 370.13-
TOTAL GROUP			----- 189 370.13-
ASSETS & LIABILITIES	US\$		
#####			
0001 SECURITIES - MERRILL LYNCH	US\$	193 854.00	193 854.00
00001 CASH ACCOUNT	US\$	136.64-	136.64-
TOTAL GROUP			----- 193 717.36
P/L NET BALANCE (1-5)			4 347.23
CHARGES	US\$		
#####			
TOTAL GROUP			----- 0 00

87 05 27 PAGE 2
1 01 87 TO 31 05 87
BALANCE
CURRENCY US\$

|| 02771

'02 SCITECH TRADING GROUP INC
'C. DESCRIPTION

TRIAL BALANCE FROM
BALANCE

US\$

INCOME

'1101 INTEREST EARNED ON BONDS

'2201 INTEREST EARNED ON FTD

TOTAL GROUP

GRAND TOTALS

HK\$

3 342.81-
1 004.42-

4 347.23-

0.00

12 8222

0.00

87 05 27 PAGE 2
POR 18

FROM 01 01 87 TO 31 05 87

SCITECH TRADING GROUP INC.
SECURITIES T/B BY DEPOT

1/C	NAME & DESCRIPTION	BALANCE	DEBIT	CREDIT	PRICE
189A	6.8750 MERRILL LYNCH 8/7/87	193854+	193 854.00		1 00 0000
				
	TOTALS		193 854 00		

H 02772

87 05 27 PAGE 1
 1 01 87 TO 31 05 87
 BALANCE
 CURRENCY US\$

W 02775

TRIAL BALANCE FROM
 BALANCE

11 KOREL ASSETS
 DESCRIPTION

US\$

CAPITAL

US\$ 1 542 925 83-

1 542 925 83-

US\$ 1 542 925 83-

1 542 925 83-

US\$

ASSETS & LIABILITIES

US\$ 1 571 241 00

1 571 241 00

US\$ 6 935 92

6 935 92

US\$ 1 578 176 92

1 578 176 92

US\$ 35 251 09

35 251 09

US\$

CHARGES

US\$ 0.00

0.00

01 KOREL ASSETS
DESCRIPTION

87 05 27 PAGE 2
1 01 87 TO 31 05 87
BALANCE
CURRENCY US\$

INCOME US\$

1101 INTEREST EARNED ON BONDS
1201 INTEREST EARNED ON FTD

US\$ 27 109.94-
US\$ 8 141.15-

27 109.94-
8 141.15-

35 251.09-

02774

TOTAL GROUP

TRANSIT ACCOUNT

US\$

TOTAL GROUP

0 00

GRAND TOTALS

0 00

SFR 66.1813
DM 55.3276
YEN .6829
MKF 22.5734
HK\$ 12.8222
\$AU 69.9007

4201 KOREL ASSETS FROM 01 01 87 TO 31 05 87 87 05 27 PAGE 2
 SECURITIES T/B. BY DEPOT POR 18
 //C NAME & DESCRIPTION BALANCE DEDIT CREDIT PRICE
 1189A 6 8750 HERRILL LYNCH 8/7/87 87/87 US\$ 1571241+ 1 571 241 00 1 00 0000

 TOTALS US\$ 1 571 241 00

|| 02775

0 BUTTON
 87 05 27 PAGE 1
 1 01 87 TO 31 05 87
 TRIAL BALANCE FROM
 BALANCE
 CURRENCY US\$

TRIAL BALANCE FROM
 BALANCE

CAPITAL
 #####
 US\$
 001 CAPITAL INVESTED US\$ 211 337.34-
 TOTAL GROUP -----
 211 337.34- || 02.76

ASSETS & LIABILITIES
 #####
 US\$
 #01 SECURITIES - MERRILL LYNCH US\$ 214 262.98
 #0001 CASH ACCOUNT US\$ 1 881.79
 TOTAL GROUP -----
 216 144.77

P/L NET BALANCE (1-5)
 4 807.43

CHARGES
 #####
 US\$
 TOTAL GROUP -----
 0.00

BUTTON
DESCRIPTION

87 05 27 PAGE 2
1 01 87 TO 31 05 87
TRIAL BALANCE FROM
BALANCE
CURRENCY US\$

INCOME

US\$

1101 INTEREST EARNED ON BONDS
1102 INTEREST EARNED ON FTD

3 697.28-
1 110.15-

4 807.43-

TOTAL GROUP

11 02777

GRAND TOTALS

0.00

PKF 22.5734
HK\$ 12.8222
\$AU 69.9007

87 05 27 PAGE 2
POR 18

FROM 01 01 87 TO 31 05 87

DEPOT

ATION

BALANCE	DEBIT	CREDIT	PRICE
214262+	214 262.98		1.00 0004
	214 262.98		

MERRILL LYNCH 8/7/87 87/87

214262+

214 262.98

1.00 0004

.....
ALS

214 262.98

US\$

02778

FROM 01 01 87 TO 31 05 87

4.064 HAKIM ALBERT
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
1	***** CAPITAL	US\$			
100000	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS	FS			
	TRANSACTION & BALANCE		0.00	0.00	0.00
100001	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS	US\$			
1	BROUGHT FORWARD				
2	1 TRANSFER	101001	546 035 31	546 035 31	546 035 31-
24	2 PMT INV NO 6297 / STC	1263 5600001	1 500 00		0.00
4	3 PMT F 2082 STC INT	1317 5600001	7 331 06		1 500 00
	TRANSACTION & BALANCE		554 866 37	546 035 31	8 831 06
101000	***** CAPITAL INVESTED	FS			
1	BROUGHT FORWARD				
	TRANSACTION & BALANCE		0.00		0.00
101001	***** CAPITAL INVESTED	US\$			
1	BROUGHT FORWARD				
1	1986 P/L NET BALANCE				
2	1 TRANSFER	100001	291 654 68	5 212 83	286 441 85
30	1 MGT FEES 4TH QUARTER 1986	5001 5600001	1 434 18	546 035 31	259 593 46-
21	4 MGT FEES 1ST QUARTER 1987	6001 5600001	159 25		258 159 28-
	TRANSACTION & BALANCE		293 248 11	551 248 14	258 000 03-

|| 02779

A/C	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
101012	***** CAPITAL INVESTED				
	MFK				
1	1 BROUGHT FORWARD				
1	1 1986 P/L NET BALANCE	1 061 65-	5 035 72	5 035 72	0 00
	TRANSACT & BALANCE				
		1 061 65-	5 035 72	5 035 72	0 00
101017	***** CAPITAL INVESTED				
	HK\$				
1	1 BROUGHT FORWARD				
1	1 1986 P/L NET BALANCE	20 634 01+	25 525 44	25 525 44	0 00
	TRANSACT & BALANCE				
		20 634 01+	25 525 44	25 525 44	0 00
101020	***** CAPITAL INVESTED				
	\$AU				
1	1 BROUGHT FORWARD				
1	1 1986 P/L NET BALANCE	624 49-	1 559 71	1 559 71	0 00
	TRANSACT & BALANCE				
		624 49-	1 559 71	1 559 71	0 00

|| 02700

FROM 01 01 87 TO 31 05 87

4064 HAKIM ALBERT
LEDGER

A/C.	NAME & DESCRIPTION	DOC NO	CONTRA	US\$	DEBIT	CREDIT	BALANCE
	ASSETS & LIABILITIES						H 02731
505100	LOANS PAYABLE			FS	0 00	0 00	0 00
	TRANSACT & BALANCE						
505101	LOANS PAYABLE			US\$	0 00	0 00	0 00
	TRANSACT & BALANCE						
526101	FID. DEPOSIT - R.N.B.			US\$	0 00	0 00	0 00
	TRANSACT & BALANCE						
526601	FID. DEPOSIT - CREDIT SUISSSE			US\$	0 00	0 00	0 00
	TRANSACT & BALANCE						
550801	SECURITIES - CAN IMP BK OF COMMER US\$						
1	BROUGHT FORWARD				259 000 00		259 000 00
8	SALE	259000-	8475 5600001			259 000 00	
8	INTEREST TO 30 03.87 AT 0 437		8475 5600001			254 95	
8	REVERSAL		8475 5600001		254 95		0 00
	TRANSACT. & BALANCE						
					259 254 95	259 254 95	0 00

4064 HAKIM ALBERT
LEDGER FROM 01 01 87 TO 31 05 87

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
511401	***** SECURITIES - BEAR STEARNS TRANSACT & BALANCE	US\$	0.00	0.00	0.00
511801	***** SECURITIES - MERRILL LYNCH TRANSACT & BALANCE	US\$			
8 1	6 0000 EURO-CD TORONTO DOMINION PURCHASE 250000+18001	5600001	250 000 00		250 000 00
8 4	6 0000 EURO-CD TORONTO DOMINION REDEMPTION 250000-18002	5600001		250 000 00	
8 4	6 2500 MERRILL LYNCH 8/5/87 FIDUCIARY DEPOSIT 253750+18003	5600001	253 750 00		253 750 00
8 5	6 8750 MERRILL LYNCH 8/7/87 FIDUCIARY DEPOSIT 255071+18005	5600001	255 071 00		
8 5	6 2500 MERRILL LYNCH 8/5/87 REDEMPTION 253750-18004	5600001		253 750 00	255 071 00
	TRANSACT & BALANCE	255071+	758 821 00	503 750 00	255 071 00
552201	***** SECURITIES - MORGAN STANLEY TRANSACT & BALANCE	US\$	0.00	0.00	0.00
552212	***** SECURITIES - MORGAN STANLEY TRANSACT & BALANCE	MF\$	0.00	0.00	0.00
552417	***** SECURITIES - REED STENHOUSE TRANSACT & BALANCE	HK\$	0.00	0.00	0.00

HK 02732

4064 HAKIM ALBERT LEJDER FROM 01 01 87 TO 31 05 87

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
552420	***** SECURITIES - REED STENHOUSE	9AU			
	TRANSACT. & BALANCE		0 00	0 00	0 00
5600001	***** CASH ACCOUNT	US\$			
1 1	BROUGHT FORWARD	431233-	154 629 61+		593 46
8 1	SALE	259000+ 8475 08JCD	259 000 00		
8 1	INTEREST FM 30.1286 TO 08.01	8475 08JCD	416.83		
8 1	INTEREST TO 30 03 87 AT 0.437	8475 08JCD	254 95		
8 1	6.0000 EURO-CD TORONTO DOMINION PURCHASE	250000-18001 18JCDTO		250 000 00	
8 1	REVERSAL	8475 08JCD		254.95	
8 1	INTEREST TO 30.03.87 AT 0.43	8475 08JCD	254 95		10 265.24
30 1	MGT FEES 4TH QUARTER 1986	5001 101001		1 434.18	8 831.06
24 2	PMT INV NO 6297 / STC	1263 100001		1 500 00	7 331.06
4 3	PMT F 2082 STC INT	1317 100001		7 331 06	0 00
8 4	6.0000 EURO-CD TORONTO DOMINION REDEMPTION	250000+18002 18JCDTO	250 000.00		
8 4	6.0000 EURO-CD TORONTO DOMINION INTEREST	250000+18002 18JCDTO	3 750 00		0 00
8 4	6.2500 MERRILL LYNCH 8/5/87 FIDUCIARY DEPOSIT	253750-18003 18J128A		253 750 00	159.25-
21 4	MGT FEES 1ST QUARTER 1987	6001 101001		159 25	
8 5	6.8750 MERRILL LYNCH 8/7/87 FIDUCIARY DEPOSIT	255071-18005 18J189A		255 071 00	
8 5	6.2500 MERRILL LYNCH 8/5/87 REDEMPTION	253750+18004 18J128A	253 750 00		158.64-
8 5	CREDIT INTEREST	253750+18004 772201	1 321.61		
	TRANSACT & BALANCE	76446+	154 629.61+	769 500 44	158.64-

H 02733

FROM 01 01 87 TO 31 05 87

4064 HAKIM ALBERT
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5600012	***** CASH ACCOUNT		0 00	0 00	0 00
	TRANSACT & BALANCE				
5600017	***** CASH ACCOUNT		0 00		0 00
1	1 BROUGHT FORWARD	10000+			
				20 634 01-	

		10000+	0 00	0 00	0 00
	TRANSACT & BALANCE				
5600020	***** CASH ACCOUNT		0 00	0 00	0 00
	TRANSACT & BALANCE				
5600300	***** CSF INVOICES		0 00	0 00	0 00
	TRANSACT & BALANCE				
5600301	***** CSF INVOICES		0 00	0 00	0 00
	TRANSACT & BALANCE				
5600601	***** CSF DIVERS ACCOUNT		0 00	0 00	0 00
	TRANSACT. & BALANCE				

DEBIT CREDIT
ii 02724

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
6	***** CHARGES	US\$			
671001	***** INTEREST PAID - CURRENT ACCOUNT	US\$			
	TRANSACT & BALANCE		0.00	0.00	0.00
672000	***** INTEREST PAID	FS			
	TRANSACT & BALANCE		0.00	0.00	0.00
672001	***** INTEREST PAID	US\$			
	TRANSACT & BALANCE		0.00	0.00	0.00
673701	***** BANK CHARGES	US\$			
	TRANSACT & BALANCE		0.00	0.00	0.00

|| 02785

4064 HAKIM ALBERT
LEDGER FROM 01 01 87 TO 31 05 87

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
7	***** INCOME	US\$			
760801	***** REAL GAINS/LOSSES - CIBC	US\$			
	TRANSACT & BALANCE		0 00	0 00	0 00
761401	***** REAL GAINS/LOSSES - BEAR STEARNS	US\$			
	TRANSACT & BALANCE		0 00	0 00	0 00
762201	***** REAL GAINS/LOSSES - MORGAN STANLEY	US\$			
	TRANSACT & BALANCE		0 00	0 00	0 00
762212	***** REAL GAINS/LOSSES - MORGAN STANLEY MFK				
	TRANSACT & BALANCE		0 00	0 00	0 00
762417	***** REAL GAINS/LOSSES - REED STENHOUSE HK\$				
	TRANSACT & BALANCE		0 00	0 00	0 00
762420	***** REAL GAINS/LOSSES - REED STENHOUSE \$AU				
	TRANSACT & BALANCE		0 00	0 00	0 00
771101	***** INTEREST EARNED ON BONDS	US\$			
8 1	INTEREST FM 30 1286 TO 08 01	8475 5600001		416 83	
8 1	INTEREST TO 30 03 87 AT 0.43	8475 5600001		254 95	671 78-
8 4	6.0000 EURO-CO TORONTO DOMINION INTEREST	250000-18002 5600001		3 750 00	4 421 78-

H 02786

A/C	NAME & DESCRIPTION	DOC NO CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
771101	INTEREST EARNED ON BONDS					
	TRANSACT & DANCE	250000-				
771201	***** DIVIDENDS		US\$	0 00	4 421 78	4 421 78-
	TRANSACT & BALANCE				02787	
771212	***** DIVIDENDS		MFK	0 00	0 00	0.00
	TRANSACT & BALANCE					
772201	***** INTEREST EARNED ON DEPOSITS		US\$	0 00	0 00	0.00
8 5	CREDIT INTEREST	253750-18004	5600001		1 321 61	1 321 61-
	TRANSACT & BALANCE	253750-		0 00	1 321 61	1 321 61-

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
4.224	AH/SUB A/C # 1 LEDGER	FROM 01 01 87 TO 31 05 87			
1	***** CAPITAL	US\$			
100001	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS	US\$			
1	BROUGHT FORWARD		2 000 000 00	2 000 000 00	0.00
2	TRANSFER	101001	1 767 12		1 767.12
4	3 PMT F. 208? STC INT.	1317 5600001			
	TRANSACT & BALANCE		2 001 767 12	2 000 000 00	1 767.12
101001	***** CAPITAL INVESTED	US\$			
1	BROUGHT FORWARD		15 246.19	144 397 70	129 151 51-
1	1986 P/L NET BALANCE			2 000 000 00	2 129 151 51-
2	TRANSFER	100001	3 834 48		2 125 317 03-
30	1 MGT FEES 4TH QUARTER 1986	5001 5600001	1 330.69		2 123 986.34-
21	4 MGT FEES 1ST QUARTER 1987	6001 5600001			
	TRANSACT & BALANCE		20 411.36	2 144 397 70	2 123 986.34-
101012	***** CAPITAL INVESTED	MF\$			
1	BROUGHT FORWARD			25 178 56	0.00
1	1986 P/L NET BALANCE				
	TRANSACT & BALANCE		25 178.56	25 178.56	0.00

|| 02739

87 05 27 PAGE 2

FROM 01 01 87 TO 31 05 87

4224 AH/SUB A/C # 1
LEDGER

BALANCE

CREDIT

DEBIT

DOC NO CONTRA

A/C NAME & DESCRIPTION

|| 02790

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
5	***** ASSETS & LIABILITIES		US\$			
517401	***** PRIVATE INVESTMENTS RECEIVABLE		US\$	0 00	0 00	0 00
	TRANSACTION & BALANCE					
525601	***** FID DEPOSIT - CONTINENTAL BANK		US\$	0 00	0 00	0 00
	TRANSACTION & BALANCE					
526101	***** FID DEPOSIT - RNB		US\$	0 00	0 00	0 00
	TRANSACTION & BALANCE					
526601	***** FID DEPOSIT - CREDIT SUISSE		US\$	0 00	0 00	0 00
	TRANSACTION & BALANCE					
526901	***** FID DEPOSIT - CIBC GENEVA		US\$	0 00	0 00	0 00
	TRANSACTION & BALANCE					
550601	***** SECURITIES - R N B		US\$	0 00	0 00	0 00
	TRANSACTION & BALANCE					
550801	***** SECURITIES - CAN. IMP. BK OF COMMER US\$		US\$	0 00	0 00	0 00
	TRANSACTION & BALANCE					
1	BROUGHT FORWARD			2 127 000.00		2 127 000.00
8	1		2127000+			
8	1		2127000- 8475 5600001		2 127 000.00	
8	1		INTEREST TO 30.03.87 AT 0.437		2 093.76	
8	1		REVERSAL	2 093.76		0 00

|| 02791

4224 AH/SUB A/C # 1 FROM 01 01 87 TO 31 05 87

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
550801	SECURITIES - CAN IMP BK OF CO (SUITE)				11 02792	0.00
	TRANSACT & BALANCE			2 129 093.76	2 129 093.76	0.00
551401	SECURITIES - BEAR STEARNS US\$					
	TRANSACT & BALANCE			0.00	0.00	0.00
551801	SECURITIES - MERRILL LYNCH US\$					
8 1	6 0000 EURO-CD TORONTO DOMINION PURCHASE 2125000+18001 5600001			2 125 000 00		2 125 000 00
8 4	6 0000 EURO-CD TORONTO DOMINION REDEMPTION 2125000-18002 5600001				2 125 000 00	
8 4	6.2500 MERRILL LYNCH 8/5/87 FIDUCIARY DEPOSIT 2156875+18003 5600001			2 156 875 00		2 156 875 00
8 5	6.8750 MERRILL LYNCH 8/7/87 FIDUCIARY DEPOSIT 2168108+18005 5600001			2 168 108 00		2 168 108 00
8 5	6 2500 MERRILL LYNCH 8/5/87 REDEMPTION 2156875-18004 5600001				2 156 875 00	2 168 108 00
	TRANSACT & BALANCE			6 449 983 00	4 281 875 00	2 168 108 00
552212	SECURITIES - MORGAN STANLEY MFK					
	TRANSACT & BALANCE			0.00	0.00	0.00
552701	SECURITIES - STRAUSS TURNBULL US\$					
	TRANSACT. & BALANCE			0.00	0.00	0.00

FROM 01 01 87 TO 31 05 87

4224 AH/SUB A/C # 1
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
5,600001	***** CASH ACCOUNT				
			US\$		
1	1 BROUGHT FORWARD	1637000-	2 151 51		2 151 51
8	1 SALE	2127000+ 8475 08JCD	2 127 000 00		
8	1 INTEREST FM 30 1286 TO 08 01	8475 08JCD	3 423 14		
8	1 INTEREST TO 30 03 87 AT 0 437	8475 08JCD	2 093 76		
8	1 6.0000 EURO-CD TORONTO DOMINION				
8	1 PURCHASE	2125000-18001 18JCDTO		2 125 000 00	
8	1 REVERSAL	8475 08JCD		2 093 76	
8	1 INTEREST TO 30 03 87 AT 0. 43	8475 08JCD	2 093 76		
30	1 MGT FEES 4TH QUARTER 1986	5001 101001		3 834 48	9 668 41
4	3 PMT F. 2082 STC INT.	1317 100001		1 767 12	5 833 93
8	4 6.0000 EURO-CD TORONTO DOMINION				4 066 81
8	4 REDEMPTION	2125000+18002 18JCDTO	2 125 000 00		
8	4 6.0000 EURO-CD TORONTO DOMINION				
8	4 INTEREST	2125000+18002 18JCDTO	31 875 00		
8	4 6.2500 MERRILL LYNCH 8/5/87				
21	4 FIDUCIARY DEPOSIT	2156875-18003 18J128A		2 156 875 00	4 066 81
8	5 6.8750 MERRILL LYNCH 8/7/87	6001 101001		1 330 69	2 736 12
8	5 FIDUCIARY DEPOSIT	2168108-18005 18J189A			
8	5 6.2500 MERRILL LYNCH 8/5/87				
8	5 REDEMPTION	2156875+18004 18J128A	2 156 875 00		
8	5 CREDIT INTEREST	2156875+18004 772201	11 233 73		
					2 736 85
	TRANSACT & BALANCE	2603767+			
			25 178 56-	6 461 745 90	6 459 009 05

li 02793

4224 AH/SUB A/C # 1
LEDGER FROM 01 01 87 TO 31 05 87

A/C.	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
5600012	***** CASH ACCOUNT		MFK			
	TRANSACT & BALANCE			0 00	0 00	0 00
570001	***** BLOCKED DEPOSIT ACCOUNT		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00

H 02794

87 05 27 PAGE 7

FROM 01 01 87 TO 31 05 87

4224 AH/SUB A/C # 1
LEDGER

DEBIT CREDIT BALANCE

DOC NO CONTRA

A/C NAME & DESCRIPTION

|| 02795

US\$

***** CHARGES

6

4224 AH/SUB A/C # 1 FROM 01 01 87 TO 31 05 87
 LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
7	CHARGES					
7	***** INCOME		US\$			
760601	***** REAL GAINS/LOSSES - R N B		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
760801	***** REAL GAINS/LOSSES - CIBC		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
761401	***** REAL GAINS/LOSSES - BEAR STEARNS		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
762212	***** REAL GAINS/LOSSES - MORGAN STANLEY MFK					
	TRANSACT & BALANCE			0 00	0 00	0 00
762401	***** REAL GAINS/LOSSES - BEAR STEARNS		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
762701	***** REAL GAINS/LOSSES - STRAUSS TURNBU		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
771101	***** INTEREST EARNED ON BONDS		US\$			
8 1	INTEREST FM 30 1286 TO 08.01	8475	5600001		3 423.14	
8 1	INTEREST TO 30 03.87 AT 0.43	8475	5600001		2 093.76	5 516.90-
8 4	6.0000 EURO-CD TORONTO DOMINION		2125000-18002		31 875.00	37 391.90-
	INTEREST					

|| 02796

FROM 01 01 87 TO 31 05 87

4.224 AH/SUB A/C # 1
LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
771101	INTEREST EARNED ON BONDS				0 00	37 910 797	37 391 90-
	TRANSACT & BALANCE	2125000-					
771212	***** DIVIDENDS		MFK		0 00	0 00	0 00
	TRANSACT & BALANCE						
772201	***** INTEREST EARNED ON FTD		US\$				
8 5	CREDIT INTEREST	2156875-18004	5600001		11 233 73	11 233 73	11 233 73-
	TRANSACT & BALANCE	2156875-			0 00	11 233 73	11 233 73-
772301	***** INCOME ON INVESTMENTS		US\$				
	TRANSACT & BALANCE				0 00	0 00	0 00
800	***** DEBTOR BY GUARANTEE		US\$				
800001	***** FORWAY DEBTOR GUARANTY		US\$				
	TRANSACT & BALANCE				0 00	0 00	0 00
801	***** GUARANTEE FURNISHED		US\$				
801001	***** CIBC GUARANTY FURNISHED		US\$				
	TRANSACT & BALANCE				0 00	0 00	0 00

87 05 27 PAGE 10

FROM 01 01 87 TO 31 05 87

4224 AH/SUB A/C # 1
LEDGER

DEBIT CREDIT BALANCE

DOC NO CONTRA

A/C NAME & DESCRIPTION

H 02798

FROM 01 01 87 TO 31 05 87

AH/SUB A/C # 1
LEDGER

4224

BALANCE

CREDIT

DEBIT

DOC NO CONTRA

A/C NAME & DESCRIPTION

US\$

***** TRANSIT ACCOUNTS

*****	*****	*****	0 00
17 088 179 70	17 088 179 70		
*****	*****		

GRAND TOTALS

N 02799

4230 AH/SUB A/C # 2
LEDGER

FROM 01 01 87 TO 31 05 87

DEBIT CREDIT

DOC. NO CONTRA

H 02000

1 ***** CAPITAL

100001 ***** CAPITAL CONTRIBUTIONS/WITHDRAWALS US\$

1 1 BROUGHT FORWARD
2 1 TRANSFER

101001

2 000 000.00 2 0

TRANSACT & BALANCE

2 000 000 00 2 000 000 00

101001 ***** CAPITAL INVESTED US\$

1 1 BROUGHT FORWARD 390000-

1 1 1986 P/L NET BALANCE

2 1 TRANSFER

30 1 MGT FEES 4TH QUARTER 1986

21 4 MGT FEES 1ST QUARTER 1987

78 557.14+

23 673 23

75 582 53

2 000 000 00

3 796 16

1 282 91

TRANSACT & BALANCE

28 752 30 2 075 582 53 2 0

101012 ***** CAPITAL INVESTED MFK

1 1 BROUGHT FORWARD

1 1 1986 P/L NET BALANCE

16 561.74-

78 557 14

78 557 14

TRANSACT & BALANCE

78 557.14 78 557.14

87 05 27 PAGE

4230 AH/SUB A/C # 2 FROM 01 01 87 TO 31 05 87
 LEDGER

A/C NAME & DESCRIPTION DOC.NO CONTRA DEBIT CREDIT

5 ***** ASSETS & LIABILITIES US\$ H 02001

515301 ***** LOANS RECEIVABLE US\$ 0 00 0 00

TRANSACT & BALANCE

525601 ***** FID DEPOSIT - CONTINENTAL BANK US\$ 0 00 0 00

TRANSACT & BALANCE

526101 ***** FID DEPOSIT - R N B US\$ 0 00 0 00

TRANSACT & BALANCE

526601 ***** FID DEPOSIT - CREDIT SUISSE US\$ 0 00 0 00

TRANSACT & BALANCE

550601 ***** SECURITIES - R N B US\$ 0 00 0 00

TRANSACT & BALANCE

550801 ***** SECURITIES - CAN IMP BK OF COMMER US\$ 2 037 000 00

1 1 BROUGHT FORWARD 2037000+ 2 0

8 1 SALE 2037000- 8475 5600001 2 037 000 00

8 1 INTEREST TO 30 03 87 AT 0 437 8475 5600001 2 005 17

8 1 REVERSAL 8475 5600001 2 005 17

TRANSACT & BALANCE

 2 039 005 17 2 039 005 17

4230 AH/SUB A/C # 2 FROM 01 01 87 TO 31 05 87
 LEDGER

DEBIT CREDIT
 ii 02802

DEBIT

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	US\$
551801	***** SECURITIES - MERRILL LYNCH			US\$
8 1	6 0000 EURO-CD TORONTO DOMINION PURCHASE 2030000+18001	5600001		2 030 000.00
8 4	6 0000 EURO-CD TORONTO DOMINION REDEMPTION 2030000-18002	5600001		2 030 000.00
8 4	6 2500 MERRILL LYNCH 8/5/87			2 060 450.00
8 5	6 8750 MERRILL LYNCH 8/7/87			2 071 181.00
8 5	6 2500 MERRILL LYNCH 8/5/87 REDEMPTION 2060450-18004	5600001		2 060 450.00

 6 161 631 00 4 090 450 00 2 (

552212	***** SECURITIES - MORGAN STANLEY			MFK
	TRANSACT & BALANCE			2071181+
				0 00

552701	***** SECURITIES - STRAUSS TURNBULL			US\$
	TRANSACT & BALANCE			
				0 00

556601	***** FID DEPOSIT - CREDIT SUISSE			US\$
	TRANSACT & BALANCE			
				0 00

5600001	***** CASH ACCOUNT			US\$
1 1	BROUGHT FORWARD		143000+	78 557.14-
8 1	SALE		2037000+ 84.75 08JCD	14 909 30
8 1	INTEREST FM 30 1286 TO 08 01		84.75 08JCD	2 037 000.00
8 1				3 278 29

4230 AH/SUB A/C # 2 FROM 01 01 87 TO 31 05 87

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT
5600001	CASH ACCOUNT			
8 1	INTEREST TO 30 03 87 AT 0.437	8475 083CD	2 005 17	
8 1	6 0000 EURO-CD TORONTO DOMINION PURCHASE	2030000-18001 183CDTO		2 030 000 00
8 1	REVERSAL	8475 083CD		2 005 17
8 1	INTEREST TO 30 03 87 AT 0.43	8475 083CD	2 005 17	
30 1	MGT FEES 4TH QUARTER 1986	5001 101001		3 796.16
8 4	6 0000 EURO-CD TORONTO DOMINION REDEMPTION	2030000+18002 183CDTO	2 030 000 00	
8 4	6 0000 EURO-CD TORONTO DOMINION INTEREST	2030000+18002 183CDTO	30 450 00	
8 4	6 2500 MERRILL LYNCH 8/5/87 FIDUCIARY DEPOSIT	2060450-18003 183128A		2 060 450 00
21 4	MGT FEES 1ST QUARTER 1987	6001 101001		1 282 91
8 5	6 8750 MERRILL LYNCH 8/7/87 FIDUCIARY DEPOSIT	2071181-18005 183189A		2 071 181 00
8 5	6 2500 MERRILL LYNCH 8/5/87 REDEMPTION	2060450+18004 183128A	2 060 450 00	
8 5	CREDIT INTEREST	2060450+18004 772201	10 731 52	

 TRANSACT & BALANCE 4199269+ 78 557 14- 6 190 829 45 6 168 715 24

5600012 ***** CASH ACCOUNT MFK

TRANSACT & BALANCE 0 00 0 00

570001 ***** BLOCKED DEPOSIT ACCOUNT US\$

TRANSACT & BALANCE 0 00 0 00

87 05 27 PAGE

FROM 01 01 87 TO 31 05 87

4230 AH/SUB A/C # 2
LEDGER

DEBIT CREDIT

DOC NO CONTRA

A/C NAME & DESCRIPTION

11 02604

4.230 AH/SUB A/C # 2
 LEDGER

FROM 01 01 87 TO 31 05 87

A/C NAME & DESCRIPTION

DEBIT

CREDIT

|| 02805

6 ***** CHARGES

US\$

673701 ***** BANK CHARGES

US\$

TRANSACTION & BALANCE

0 00

0 00

4.230 AH/SUB A/C # 2 FROM 01 01 87 TO 31 05 87
 LEDGER

A/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT

7 ***** INCOME US\$ 0.00 0.00
 H 02806

760601 ***** REAL GAINS/LOSSES - R N B US\$ 0.00 0.00
 TRANSACT. & BALANCE

760801 ***** REAL GAINS/LOSSES - CIBC US\$ 0.00 0.00
 TRANSACT & BALANCE

762212 ***** REAL GAINS/LOSSES - MORGAN STANLEY MFK US\$ 0.00 0.00
 TRANSACT & BALANCE

762701 ***** REAL GAINS/LOSSES - STRAUSS TURNBU US\$ 0.00 0.00
 TRANSACT & BALANCE

771101 ***** INTEREST EARNED ON BONDS US\$ 3 278.29

8 1 INTEREST FM 30 1286 TO 08 01 84.75 5600001 2 005.17

8 1 INTEREST TO 30 03 87 AT 0.43 84.75 5600001 30 450.00

8 4 6 0000 EURO-CD TORONTO DOMINION 2030000-18002 5600001

TRANSACT & BALANCE 2030000- 0.00 35 733.46

4.230 AH/SUB A/C # 2 FROM 01 01 87 TO 31 05 87
 LEDGER

A/C. NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT

771212 ***** DIVIDENDS MFK || 02607

TRANSACT & BALANCE 0 00 0 00

772201 ***** INTEREST EARNED ON FTD US\$

8 5 CREDIT INTEREST 2060450-18004 5600001 10 731 52

TRANSACT & BALANCE 2060450-

80 ***** CONTINGENT LIABILITIES US\$

0 00 10 731 52

800 ***** DEBTOR BY GUARANTEE US\$

800001 ***** REPUBLIC NATIONAL BANK, LUXEMBOURG US\$

0 00 0 00

TRANSACT & BALANCE

801 ***** GUARANTEE FURNISHED US\$

801001 ***** RAINBOW STAR (USA) US\$

0 00 0 00

TRANSACT & BALANCE

4230 AH/SUB A/C # 2
LEDGER

87 05 27 PAGE

FROM 01 01 87 TO 31 05 87

A/C NAME & DESCRIPTION

DEBIT

CREDIT

9 ***** TRANSIT ACCOUNTS

US\$

H 02608

16 498 775.06 16 498 775.06

GRAND TOTALS

FROM 01 01 87 TO 31 05 87

4231 AH/SUB A/C # 3
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	(SUITE)	US\$	DEBIT	CREDIT	BALANCE
	TRANSIT ACCOUNTS							
1	***** CAPITAL							
100001	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS				US\$			
1	BROUGHT FORWARD							200 000.00-
2	TRANSFER	101001				200 000 00		0 00
	TRANSACT & BALANCE					200 000.00		0.00
101001	***** CAPITAL INVESTED				US\$			
1	BROUGHT FORWARD							42 853 88
1	1986 P/L. NET BALANCE						7 915 18	157 146.12-
2	TRANSFER	100001					200 000 00	156 757.48-
30	1 MGT FEES 4TH GAURTER 1986	5001				388.64		156 659 26-
21	4 MGT FEES 1ST QUARTER 1987	6001				98 22		
	TRANSACT & BALANCE					51 255 92	207 915 18	156 659 26-
101012	***** CAPITAL INVESTED				MFK			
	TRANSACT. & BALANCE					0 00	0 00	0 00

H 02809

4231 AH/SUB A/C # 3 FROM 01 01 87 TO 31 05 87
LEDGER

PREVIOUS BALANCE

DEBIT

DOC NO CONTRA

A/C NAME & DESCRIPTION

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5	***** ASSETS & LIABILITIES				
	***** FID DEPOSIT - RNB				
526101	***** FID DEPOSIT - RNB				
	TRANSACTION & BALANCE		0 00	0 00	0 00
526601	***** FID DEPOSIT - CREDIT SUISSE				
	TRANSACTION & BALANCE		0 00	0 00	0 00
550601	***** SECURITIES - R N B				
	TRANSACTION & BALANCE		0 00	0 00	0 00
550801	***** SECURITIES - CAN IMP. BK OF COMMER US				
	1 1 BROUGHT FORWARD	157000+			157 000 00
8 1	SALE	157000 - 8475 5600001		157 000 00	
8 1	INTEREST TO 30 03 87 AT 0 437	8475 5600001		154 55	
8 1	REVERSAL	8475 5600001	154 55		0 00
	TRANSACTION & BALANCE		157 154 55	157 154 55	0 00
551401	***** SECURITIES - BEAR STEARNS				
	TRANSACTION & BALANCE		0 00	0 00	0 00

FROM 01 01 87 TO 31 05 87

AH/SUB A/C # 3
LEDGER

A/C.	NAME & DESCRIPTION	DOC NO	CONTRA	US\$	DEBIT	CREDIT	BALANCE
51801	***** SECURITIES - MERRILL LYNCH			US\$			
8 1	6.0000 EURO-CD TORONTO DOMINION PURCHASE	15000*	18001	56000001	155 000.00		155 000.00
8 4	6.0000 EURO-CD TORONTO DOMINION REDEMPTION	155000-	18002	56000001		155 000.00	
8 4	6.2500 MERRILL LYNCH 8/5/87						
8 5	FIDUCIARY DEPOSIT 157325*18003			56000001	157 325 00		157 325.00
8 5	FIDUCIARY DEPOSIT 158144*18005			56000001	158 144 00		158 144.00
8 5	REDEMPTION 157325-18004			56000001		157 325.00	158 144.00

	TRANSACTION & BALANCE			158144+	470 469 00	312 325 00	158 144.00
552212	***** SECURITIES - MORGAN STANLEY			MF\$			
	TRANSACTION & BALANCE				0 00	0.00	0.00
556601	***** FID DEPOSIT - CREDIT SUISSE			US\$			
	TRANSACTION & BALANCE				0 00	0.00	0.00
5600001	***** CASH ACCOUNT			US\$			
1 1	BROUGHT FORWARD			77000-			
8 1	SALE			157000+	146.12		146.12
8 1	INTEREST FM 30 1286 TO 08 01			8475 08JCD	157 000.00		
8 1	INTEREST TO 30.03.87 AT 0.437			8475 08JCD	252.68		
8 1	6.0000 EURO-CD TORONTO DOMINION PURCHASE			155000-18001	154.55		
8 1				18JCDTO		155 000.00	

|| 02811

FROM 01 01 87 TO 31 05 87

4231 AH/SUB A/C # 3
LEDGER

BALANCE

CREDIT
|| 02812

DEBIT

A/C	NAME & DESCRIPTION	DOC NO CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT REVERSAL	8475	08JCD		154 55	
8 1	INTEREST TO 30 03 87 AT 0. 43	8475	08JCD	154 55		2 553.35
30 1	MGT FEES 4TH QUARTER 1986	5001	101001		388 64	2 164 71
8 4	6 0000 EURO-CD TORONTO DOMINION			155 000 00		
	REDEMPTION 155000+18002 18JCDTO					
8 4	6 0000 EURO-CD TORONTO DOMINION			2 325 00		
	INTEREST 155000+18002 18JCDTO					
8 4	6 2500 MERRILL LYNCH 8/5/87					
	FIDUCIARY DEPOSIT 157325-18003 18J128A					
21 4	MGT FEES 1ST QUARTER 1987	6001	101001		157 325 00	2 164 71
8 5	6 8750 MERRILL LYNCH 8/7/87			98 22		2 066 49
	FIDUCIARY DEPOSIT 158144-18005 18J189A					
8 5	6 2500 MERRILL LYNCH 8/5/87			157 325 00		
	REDEMPTION 157325+18004 18J128A			819 40		
8 5	CREDIT INTEREST 157325+18004 772201					
TRANSACT & BALANCE				473 177 30	471 110 41	2 066 89

MFK

5600012 ***** CASH ACCOUNT

TRANSACT & BALANCE

0 00

0 00

0 00

MFK

5600012 ***** CASH ACCOUNT

TRANSACT & BALANCE

0 00

0 00

0 00

FROM 01 01 87 TO 31 05 87

4231 AH/SUB. A/C # 3
LEDGER

DEBIT CREDIT BALANCE
02813

DOC. NO CONTRA

A/C NAME & DESCRIPTION

US\$

***** CHARGES

US\$

473701 ***** BANK CHARGES

TRANSACTION & BALANCE

0.00 0.00 0.00

FROM 01 01 87 TO 31 05 87

4.231 AH/SUB A/C # 3
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
7	***** INCOME		US\$			
760601	***** REAL GAINS/LOSSES - R.N.D.		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
760801	***** REAL GAINS/LOSSES - CIBC		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
761401	***** REAL GAINS/LOSSES - BEAR STEARNS		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
762212	***** REAL GAINS/LOSSES - MORGAN STANLEY MFK					
	TRANSACT & BALANCE			0 00	0 00	0 00
771101	***** INTEREST EARNED ON BONDS		US\$			
8 1	INTEREST FM 30 1286 TO 08 01		8475 5600001		252 68	
8 1	INTEREST TO 30 03 87 AT 0. 43		8475 5600001		154 55	407 23-
8 4	6.0000 EURO-CD TORONTO DOMINION		155000-18002 5600001		2 325 00	2 732 23-
	INTEREST					
	TRANSACT. & BALANCE		155000-	0 00	2 732 23	2 732.23-

|| 02814

4231 AH/SUB A/C # 3
LEDGER

FROM 01 01 87 TO 31 05 87

87 05 27 PAGE 7

A/C.	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDITS	BALANCE
/71212	***** DIVIDENDS	MFK			
	TRANSACT. & BALANCE		0 00	0.00	0 00
/72201	***** INTEREST EARNED ON FTD	US\$			
	8 5 CREDIT INTEREST	157325-18004 5600001		819.40	819 40-
	TRANSACT. & BALANCE	157325-	0 00	819.40	819.40-

87 09 87 16 PAGE 8

FROM 01 01 87 TO 31 05 87

4231 AH/SUB A/C # 3
LEDGER

BALANCE

CREDIT

DEBIT

DOC NO CONTRA

A/C NAME & DESCRIPTION

US\$

***** TRANSIT ACCOUNTS

*****	*****	*****	0.00
1	352 056.77	1 352 056.77	
*****	*****	*****	

GRAND TOTALS

DEBIT CREDIT BALANCE
 11 0281

A/C NAME & DESCRIPTION DOC. NO CONTRA (SUITE) US\$

100001	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS	US\$						
1	BROUGHT FORWARD		46 473 65+		59 123 78		59 123 78-	
2	TRANSFER	101001					0.00	
	TRANSACT & BALANCE		46 473 65+		59 123 78		0.00	
101001	***** CAPITAL INVESTED	US\$						
1	BROUGHT FORWARD		163 089 01-		104 030 58		131 013 47-	
1	1986 P/L NET BALANCE				26 982 89		190 137 25-	
2	TRANSFER	100001			59 123 78		189 488 92-	
30	1 MGT FEES 4TH GAURTER 1986	5001 5600001			648.33		189 370 13-	
21	4 MGT FEES 1ST QUARTER 1987	6001 5600001			118 79			
	TRANSACT & BALANCE		163 089 01-		767 12		189 370 13-	
101017	***** CAPITAL INVESTED	HK\$						
1	BROUGHT FORWARD		20 906 16+		27 648 51		0.00	
1	1986 P/L, NET BALANCE							
	TRANSACT & BALANCE		20 906 16+		27 648 51		0.00	

FROM 01 01 87 TO 31 05 87

4202 SCITECH TRADING GROUP INC
LEDGER

A/C NAME & DESCRIPTION DEBIT CREDIT BALANCE

DOC NO CONTRA

11 02818

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
	***** ASSETS & LIABILITIES	US\$			
525801	***** FID DEPOSIT - CREDIT LYONNAIS	US\$			
	TRANSACT. & BALANCE		0 00	0 00	0 00
526101	***** FID. DEPOSIT - RNB	US\$			
	TRANSACT. & BALANCE		0 00	0 00	0 00
526601	***** FID DEPOSIT - CREDIT SUISSE	US\$			
	TRANSACT & BALANCE		0 00	0 00	0 00
550801	***** SECURITIES - CAN IMP BK OF COMMER US\$				
	1 1 BROUGHT FORWARD	1900000*	190 000.00		190 000.00
	8 1 SALE	190000- 8475 5600001		190 000 00	
	8 1 INTEREST TO 30 03 87 AT 0 437	8475 5600001		187 03	
	8 1 REVERSAL	8475 5600001	187.03		0 00
	TRANSACT. & BALANCE		190 187.03	190 187.03	0 00
551401	***** SECURITIES - BEAR STEARNS	US\$			
	TRANSACT. & BALANCE		0.00	0 00	0 00

4202 SCITECH TRADING GROUP INC FROM 01 01 87 TO 31 05 87
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
51801	***** SECURITIES - MERRILL LYNCH	US\$		11 02820	
8 1	6 0000 EURO-CD TORONTO DOMINION	190000+18001 56000001	190 000.00		190 000 00
8 4	6 0000 EURO-CD TORONTO DOMINION REDEMPTION	190000-18002 56000001		190 000 00	
8 4	6 2500 MERRILL LYNCH 8/5/87				
8 5	FIDUCIARY DEPOSIT 192850+18003 56000001		192 850 00		192 850 00
8 5	FIDUCIARY DEPOSIT 193854+18005 56000001		193 854 00		193 854 00
8 5	REDEMPTION 192850-18004 56000001			192 850 00	
TRANSACT & BALANCE 193854+			576 704 00	382 850 00	193 854 00
52417	***** SECURITIES - REED STENHOUSE	HK\$			
TRANSACT & BALANCE			0 00	0 00	0 00
52701	***** SECURITIES - STRAUSS TURNDULL	US\$			
TRANSACT & BALANCE			0 00	0 00	0 00
5600001	***** CASH ACCOUNT	US\$			
1 1	BROUGHT FORWARD	114799-			
8 1	SALE	190000+ 8475 083CD	137 25		137 25
8 1	INTEREST FM 30.1286 TO 08 01	8475 083CD	305.78		
8 1	INTEREST TO 30.03 87 AT 0.437	8475 083CD	187 03		
8 1	PURCHASE 190000-18001 183CDTO			190 000 00	

4202 SCITECH TRADING GROUP INC.
LEDGER FROM 01 01 87 TO 31 05 87

BALANCE

CREDIT
11 02 821

DEBIT

DOC NO CONTRA
(SUITE)
8475 08JCD

A/C. NAME & DESCRIPTION

5600001 CASH ACCOUNT

REVERSAL

8	1	INTEREST TO 30.03.87 AT 0.43	8475 08JCD						
30	1	MGT FEES 4TH QUARTER 1986	8475 08JCD		187.03				630.06
8	4	6.0000 EURO-CD TORONTO DOMINION	5001 101001						18.27-
8	4	REDEMPTION 190000*18002	18JCDTO		190 000.00				
8	4	6.0000 EURO-CD TORONTO DOMINION	190000*18002	18JCDTO					
8	4	INTEREST 190000*18002	18JCDTO		2 850.00				
21	4	FIDUCIARY DEPOSIT 192850-18003	18J128A						18.27-
8	5	6.8750 MERRILL LYNCH 8/7/87	6001 101001						137.06-
8	5	FIDUCIARY DEPOSIT 193854-18005	18J189A						
8	5	6.2500 MERRILL LYNCH 8/5/87	192850*18004	18J128A	192 850.00				
8	5	REDEMPTION 192850*18004	18J128A		1 004.42				
8	5	CREDIT INTEREST 192850*18004	772201						136.64-

116 615 36+

577 521 51

577 658.15

TRANSACT. & BALANCE

5600017 ***** CASH ACCOUNT

HK\$

0.00

0.00

20 906.16-

20 906.16-

TRANSACT. & BALANCE

0.00

0.00

87 05 27 PAGE 6

FROM 01 01 87 TO 31 05 87

4202 SCITECH TRADING GROUP INC
LEDGER

DEBIT || CREDIT || BALANCE

02822

DOC NO CONTRA

A/C NAME & DESCRIPTION

US\$

***** CHARGES

US\$

***** BANK CHARGES

0 00 0 00 0 00

TRANSACTION & BALANCE

4202 SCITECH TRADING GROUP INC FROM 01 01 87 TO 31 05 87
LEDGER

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
	***** INCOME		US\$			
761401	***** REAL GAINS/LOSSES - BEAR STEARNS		US\$			
	TRANSACTION & BALANCE			0.00	0.00	0.00
762417	***** REAL GAINS/LOSSES - REED STENHOUSE		HK\$			
	TRANSACTION & BALANCE			0.00	0.00	0.00
762701	***** REAL GAINS/LOSSES - ST. TURNBULL		US\$			
	TRANSACTION & BALANCE			0.00	0.00	0.00
771101	***** INTEREST EARNED ON BONDS		US\$			
8 1	INTEREST FM 30 1286 TO 08 01		8475 5600001		305.78	
8 1	INTEREST TO 30 03 87 AT 0.43		8475 5600001		187.03	492.81-
8 4	6.0000 EURO-CD TORONTO DOMINION		190000-18002 5600001		2,850.00	3 342.81-
	INTEREST					
	TRANSACTION & BALANCE		190000-	0.00	3 342.81	3 342.81-
771201	***** DIVIDENDS		US\$			
	TRANSACTION & BALANCE			0.00	0.00	0.00

ii 02823

4202 SCITECH TRADING GROUP INC FROM 01 01 87 TO 31 05 87
 LEDGER

A/C NAME & DESCRIPTION DOC NO CONTRA

BALANCE

DEBIT CREDIT

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
772201	***** INTEREST EARNED ON FTD		US\$			
8	5 CREDIT INTEREST	192850-18004	5600001			1 004 42-
86						
	TRANSACT. & BALANCE	192850-		0 00	1 004 42	1 004 42-
	GRAND TOTALS			1 431 951 95	1 431 951 95	0.00

 || 02824 42

4201 KOREL ASSETS
LEDGER

FROM 01 01 87 TO 31 05 87

A/C NAME & DESCRIPTION

DOC NO CONTRA

DEBIT

CREDIT

BALANCE

1 ***** CAPITAL US\$ 11 02025

100000 ***** CAPITAL CONTRIBUTIONS/WITHDRAWALS FS

1 1 BROUGHT FORWARD 8 000 00 8 000 00

2 1 TRANSFER 101000 8 000 00 0 00

TRANSACTION & BALANCE ----- 8 000 00 8 000 00 0 00

100001 ***** CAPITAL CONTRIBUTIONS/WITHDRAWALS US\$

1 1 BROUGHT FORWARD 562 775 03 562 775 03

2 1 TRANSFER 101001 562 775 03 0 00

TRANSACTION & BALANCE ----- 562 775 03 562 775 03 0 00

101000 ***** CAPITAL INVESTED FS

1 1 BROUGHT FORWARD 824 200 54+ 14 348 66

1 1 1986 P/L NET BALANCE 22 348 66 8 000 00-

2 1 TRANSFER 100000 8 000 00 0 00

TRANSACTION & BALANCE ----- 824 200 54+ 22 348 66 22 348 66 0 00

101001 ***** CAPITAL INVESTED US\$

1 1 BROUGHT FORWARD 819 891 06

1 1 1986 P/L NET BALANCE 164 369 66 984 260 72-

2 1 TRANSFER 235626- 562 775 03 1 547 035 75-

30 1 MGT FEES 4TH QUARTER 1986 5001 5400001 1 543 893 00-

21 4 MGT FEES 1ST QUARTER 1987 6001 5400001 1 542 925 83-

FROM 01 01 87 TO 31 05 87

4201 KOREL ASSETS
LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
101001	CAPITAL INVESTED					
	TRANSACT & BALANCE	235626-		4 109 92	1 547 035 75	1 542 925 83-
			(SUITE)			
101003	***** CAPITAL INVESTED		DM			
	1 1 BROUGHT FORWARD			3 445 45-		0 00
	1 1 1986 P/L NET BALANCE				216 01	
	TRANSACT & BALANCE			3 445 45-	216 01	0 00
101010	***** CAPITAL INVESTED		YEN			
	1 1 BROUGHT FORWARD			2 892 13-	35 953 50	0 00
	1 1 1986 P/L NET BALANCE				35 953 50	
	TRANSACT & BALANCE			2 892 13-	35 953 50	0 00
101012	***** CAPITAL INVESTED		MFK			
	1 1 BROUGHT FORWARD			8 493 20-	40 285 70	0 00
	1 1 1986 P/L NET BALANCE				40 285 70	
	TRANSACT & BALANCE			8 493 20-	40 285 70	0 00
101017	***** CAPITAL INVESTED		HK\$			
	1 1 BROUGHT FORWARD			20 906 16+	27 648 51	0 00
	1 1 1986 P/L NET BALANCE				27 648 51	
	TRANSACT & BALANCE			20 906 16+	27 648 51	0 00

FROM 01 01 87 TO 31 05 87

4201 KOREL ASSETS
LEDGER

BALANCE

DEBIT 11 02827

DOC NO CONTRA

A/C NAME & DESCRIPTION

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
101020	***** CAPITAL INVESTED				
1	1 BROUGHT FORWARD			1 357 42	0 00
1	1 1986 P/L NET BALANCE		1 357 42		
	TRANSACTION & BALANCE		1 357 42	1 357 42	0 00

4201 KOREL ASSETS
LEDGER

FROM 01 01 87 TO 31 05 87

A/C.	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
5	***** ASSETS & LIABILITIES		US\$			
515300	***** LOANS RECEIVABLE		FS			
	TRANSACTION & BALANCE			0 00	0 00	0 00
517401	***** PRIVATE INVESTMENTS RECEIVABLE		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
525601	***** FID. DEPOSIT - CONTINENTAL BANK		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
526101	***** FID. DEPOSIT - RNB		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
526601	***** FID. DEPOSIT - CREDIT SUISSE		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
550300	***** SECURITIES - GUTZWILLER		FS			
	TRANSACTION & BALANCE			0 00	0 00	0 00
550801	***** SECURITIES - CAN IMP BK OF COMMER		US\$			
1 1	BROUGHT FORWARD			1 546 000.00		1 546 000.00
8 1	SALE	1546000-	8475 5600001		1 546 000.00	
8 1	INTEREST TO 30.03.87 AT 0.437	8475	5600001		1 521.85	
8 1	REVERSAL	8475	5600001	1 521.85		0 00

KOREL ASSETS		FROM 01 01 87 TO 31 05 87		87 05 27	PAGE	5
A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
50801	SECURITIES - CAN IMP BK OF CO (SUITE)					

	TRANSACT & BALANCE			1 547 521 85	1 547 521 85	0 00
50900	***** SECURITIES - CREDIT SUISSE FS					
	TRANSACT & BALANCE			0 00	0 00	0 00
51301	***** SECURITIES - ROSE & COMPANY US\$					
	TRANSACT & BALANCE			0 00	0 00	0 00
51401	***** SECURITIES - BEAR STEARNS US\$					
	TRANSACT & BALANCE			0 00	0 00	0 00
51510	***** SECURITIES - NIKKO YEN					
	TRANSACT & BALANCE			0 00	0 00	0 00
51600	***** SECURITIES - NOMURA FS					
	TRANSACT & BALANCE			0 00	0 00	0 00
51601	***** SECURITIES - NOMURA US\$					
	TRANSACT & BALANCE			0 00	0 00	0 00
51610	***** SECURITIES - NOMURA YEN					
	TRANSACT & BALANCE			0 00	0 00	0 00

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
551800	***** SECURITIES - MERRILL LYNCH		FS			
	TRANSACT & BALANCE			0 00	0 00	0 00
551801	***** SECURITIES - MERRILL LYNCH		US\$			
8 1	6 0000 EURO-CD TORONTO DOMINION					
	PURCHASE 1540000+18001		5600001	1 540 000 00		1 540 000 00
8 4	6 0000 EURO-CD TORONTO DOMINION					
	REDEMPTION 1540000-18002		5600001		1 540 000 00	
8 4	6 2500 MERRILL LYNCH 8/5/87					
	FIDUCIARY DEPOSIT 1563100+18003		5600001	1 563 100 00		1 563 100 00
8 5	6 8750 MERRILL LYNCH 8/7/87					
	FIDUCIARY DEPOSIT 1571241+18005		5600001	1 571 241 00		1 571 241 00
8 5	6 2500 MERRILL LYNCH 8/5/87					
	REDEMPTION 1563100-18004		5600001		1 563 100 00	1 571 241 00
	TRANSACT & BALANCE		1571241+			
552010	***** SECURITIES - WAKO		YEN			
	TRANSACT. & BALANCE			4 674 341 00	3 103 100 00	1 571 241 00
552100	***** SECURITIES - DAIWA SECURITIES		FS			
	TRANSACT. & BALANCE			0 00	0 00	0 00
552110	***** SECURITIES - DAIWA		YEN			
	TRANSACT. & BALANCE			0 00	0 00	0 00

4201 KOREL ASSETS LEDGER		FROM 01 01 87 TO 31 05 87		87.05 27 PAGE 7		
A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
552201	***** SECURITIES - MORGAN STANLEY TRANSACTION & BALANCE		US\$	0.00	0.00	0.00
552212	***** SECURITIES - MORGAN STANLEY TRANSACTION & BALANCE		MFK	0.00	0.00	0.00
552220	***** SECURITIES - MORGAN STANLEY TRANSACTION & BALANCE		\$AU	0.00	0.00	0.00
552417	***** SECURITIES - REED STENHOUSE TRANSACTION & BALANCE		HK\$	0.00	0.00	0.00
552420	***** SECURITIES - REED STENHOUSE TRANSACTION & BALANCE		\$AU	0.00	0.00	0.00
552701	***** SECURITIES - STRAUSS TURNBULL TRANSACTION & BALANCE		US\$	0.00	0.00	0.00
552703	***** SECURITIES - STRAUSS TURNBULL TRANSACTION & BALANCE		DM	0.00	0.00	0.00
5600000	***** CASH ACCOUNT		FS			
1	1 BROUGHT FORWARD		195000+	824 200 54-		0.00
	TRANSACTION & BALANCE		195000+	824 200 54-		0.00

ti 02031

ii 02832

FROM 01 01 87 TO 31 05 87

4201 KOREL ASSETS LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5600001	***** CASH ACCOUNT					
				US\$		
1	BROUGHT FORWARD	584076-		1 035 75		1 035 75
8	SALE	1546000+	8475 08JCD	1 546 000 00		
8	INTEREST FM 30 1286 TO 08 01	8475 08JCD		2 488 09		
8	INTEREST TO 30 03 87 AT 0.437	8475 08JCD		1 521 85		
8	6 0000 EURO-CD TORONTO DOMINION	1540000-	18001 18JCDTO		1 540 000 00	
8	REVERSAL	8475 08JCD			1 521 85	
8	INTEREST TO 30.03 87 AT 0. 43	8475 08JCD		1 521 85		11 045.69
30	MGT FEES 4TH GAURTER 1986	5001 101001			3 142 75	7 902 94
8	6 0000 EURO-CD TORONTO DOMINION	1540000+	18002 18JCDTO		1 540 000 00	
8	REDEMPTION	1540000+	18002 18JCDTO		23 100 00	
8	6 0000 EURO-CD TORONTO DOMINION	1540000+	18002 18JCDTO			
8	6.2500 MERRILL LYNCH 8/5/87	1563100-	18003 18J128A		1 563 100 00	7 902 94
21	FIDUCIARY DEPOSIT	6001 101001			967 17	6 935 77
8	4 MGT FEES 1ST QUARTER 1987	1571241-	18005 18J189A		1 571 241 00	
8	6.8750 MERRILL LYNCH 8/7/87	1563100+	18004 18J128A			
8	FIDUCIARY DEPOSIT	1563100+	18004 18J128A			
8	6.2500 MERRILL LYNCH 8/5/87	1563100+	18004 18J128A			
8	REDEMPTION	1563100+	18004 18J128A			
8	5 CREDIT INTEREST			8 141.15		6 935 92
TRANSACTION & BALANCE				933 348 66+	4 679 972 77	6 935 92

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5600003	***** CASH ACCOUNT		DM			
	TRANSACTION & BALANCE			0 00	0 00	0 00
5600010	***** CASH ACCOUNT		YEN			
1	1 BROUGHT FORWARD	401500+		2 892 13+		0 00
	TRANSACTION & BALANCE	401500+		0 00	0 00	0 00
5600012	***** CASH ACCOUNT		MFK			
	TRANSACTION & BALANCE			0 00	0 00	0 00
5600017	***** CASH ACCOUNT		HK\$			
1	1 BROUGHT FORWARD	10000+		20 906 16-		0 00
	TRANSACTION & BALANCE	10000+		0 00	0 00	0 00
5600020	***** CASH ACCOUNT		\$AU			
	TRANSACTION & BALANCE			0 00	0 00	0 00
5600030	***** CSF INVOICES		FS			
	TRANSACTION & BALANCE			0 00	0 00	0 00

H 02834

87 05 27 PAGE 10

FROM 01 01 87 TO 31 05 87

4201 KOREL ASSETS
LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
	***** CHARGES		US\$			
573701	***** BANK CHARGES		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
573710	***** BANK CHARGES		YEN			
	TRANSACTION & BALANCE			0 00	0 00	0 00

4201 KOREL ASSETS
LEDGER

FROM 01 01 87 TO 31 05 87

87 05 27 PAGE 11

02035

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
7	***** INCOME		US\$			
760900	***** REAL GAINS/LOSSES - CREDIT SUISSE FS					
	TRANSACTION & BALANCE			0 00	0 00	0 00
761301	***** REAL GAINS/LOSSES - ROSE & CO		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
761401	***** REAL GAINS/LOSSES - BEAR STEARNS		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
761510	***** REAL GAINS/LOSSES - NIKKO		YEN			
	TRANSACTION & BALANCE			0 00	0 00	0 00
761600	***** REAL GAINS/LOSSES - NOMURA		FS			
	TRANSACTION & BALANCE			0 00	0 00	0 00
761601	***** REAL GAINS/LOSSES - NOMURA		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
761610	***** REAL GAINS/LOSSES - NOMURA		YEN			
	TRANSACTION & BALANCE			0 00	0 00	0 00

87 05 27 PAGE 12

ii 02036

4201 KOREL ASSETS
LEDGER FROM 01 01 87 TO 31 05 87

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
761800	***** REAL GAINS/LOSSES - MERRILL LYNCH FS TRANSACTION & BALANCE			0.00	0.00	0.00
762010	***** REAL GAINS/LOSSES - WAKO SECURITIE YEN TRANSACTION & BALANCE			0.00	0.00	0.00
762110	***** REAL GAINS/LOSSES - DAIWA YEN TRANSACTION & BALANCE			0.00	0.00	0.00
762201	***** REAL GAINS/LOSSES - MORGAN STANLEY US\$ TRANSACTION & BALANCE			0.00	0.00	0.00
762212	***** REAL GAINS/LOSSES - MORGAN STANLEY MFK TRANSACTION & BALANCE			0.00	0.00	0.00
762220	***** REAL GAINS/LOSSES - MORGAN STANLEY \$AU TRANSACTION & BALANCE			0.00	0.00	0.00
762417	***** REAL GAINS/LOSSES - REED STENHOUSE HK\$ TRANSACTION & BALANCE			0.00	0.00	0.00
762420	***** REAL GAINS/LOSSES - REED STENHOUSE \$AU TRANSACTION & BALANCE			0.00	0.00	0.00

87 05 27 PAGE 13
 ii 02837

FROM 01 01 87 TO 31 05 87

4201 KOREL ASSETS
 LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
762701	***** REAL GAINS/LOSSES - STRAUSS TURNBU US\$ TRANSACTION & BALANCE			0.00	0.00	0.00
762703	***** REAL GAINS/LOSSES - STRAUSS TURNBU DM TRANSACTION & BALANCE			0.00	0.00	0.00
771100	***** INTEREST EARNED ON BONDS FS TRANSACTION & BALANCE			0.00	0.00	0.00
771101	***** INTEREST EARNED ON BONDS US\$ 8 1 INTEREST FM 30.1286 TO 08.01 8475 5600001 8 1 INTEREST TO 30.03.87 AT 0.43 8475 5600001 8 4 6 0000 EURO-CD TORONTO DOMINION 1540000-18002 5600001 INTEREST				2 488 09 1 521 85 23 100 00	4 009 94- 27 109 94-
771103	***** INTEREST EARNED ON BONDS DM TRANSACTION & BALANCE			0.00	0.00	0.00
771110	***** INTEREST EARNED ON BONDS YEN TRANSACTION & BALANCE			0.00	0.00	0.00

 0.00 27 109.94 27 109 94-

FROM 01 01 87 TO 31 05 87

4201 KOREL ASSETS LEDGER

02838

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
771120	***** INTEREST EARNED ON BONDS		\$AU			
	TRANSACTION & BALANCE			0.00	0.00	0.00
771201	***** DIVIDENDS		US\$			
	TRANSACTION & BALANCE			0.00	0.00	0.00
771210	***** DIVIDENDS		YEN			
	TRANSACTION & BALANCE			0.00	0.00	0.00
771212	***** DIVIDENDS		MFK			
	TRANSACTION & BALANCE			0.00	0.00	0.00
772100	***** INTEREST EARNED ON LOANS		FS			
	TRANSACTION & BALANCE			0.00	0.00	0.00
772201	***** INTEREST EARNED ON FTD		US\$			
	1563100-18004 5600001			8 141.15		8 141.15-
772301	***** INCOME ON INVESTMENTS		US\$			
	1563100-			8 141.15		8 141.15-
	TRANSACTION & BALANCE			0.00	0.00	0.00

4201 KOREL ASSETS
 LEDGER

FROM 01 01 87 TO 31 05 87

087003927 PAGE 15

A/C NAME & DESCRIPTION DEBIT CREDIT BALANCE

4201 KOREL ASSETS FROM 01 01 87 TO 31 05 87

LEDGER

BALANCE

CREDIT

DEBIT

A/C NAME & DESCRIPTION

DOC NO CONTRA

₩ 0.000

***** TRANSIT ACCOUNT

US\$

0 00

11 611 466 29 11 611 466 29

GRAND TOTALS

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
	***** CAPITAL		US\$			
					11 02641	
100001	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS		US\$			
1	BROUGHT FORWARD				200 000.00	200 000.00-
2	TRANSFER	101001		200 000 00		0.00
	TRANSACT. & BALANCE			-----	-----	0.00
				200 000.00	200 000.00	
101001	***** CAPITAL INVESTED		US\$			
1	BROUGHT FORWARD					
1	1986 P/L. NET BALANCE			2 339 13	14 329 84	11 990.71-
2	TRANSFER	100001			200 000 00	211 990.71-
30	1 MGT FEES 4TH GAURTER 1986	5001		520.87		211 469.84-
21	4 MGT FEES 1ST QUARTER 1987	6001		132 50		211 337.34-
	TRANSACT. & BALANCE			-----	-----	
				2 992 50	214 329 84	211 337.34-
101012	***** CAPITAL INVESTED		MFK			
1	BROUGHT FORWARD					
1	1986 P/L. NET BALANCE			5 035 72	5 035 72	0.00
	TRANSACT. & BALANCE			-----	-----	
				5 035.72	5 035 72	0.00
101017	***** CAPITAL INVESTED		HK\$			
1	BROUGHT FORWARD					
1	1986 P/L. NET BALANCE			1 436 73	1 436.73	0.00
	TRANSACT. & BALANCE			-----	-----	
				1 436.73	1 436.73	0.00

4227 B. BUTTON
LEDGER

FROM 01 01 87 TO 31 05 87

DOC NO CONTRA

\$AU

DEBIT

CREDIT

BALANCE

A/C	NAME & DESCRIPTION	DEBIT	CREDIT	BALANCE
101020	***** CAPITAL INVESTED			
1	1 BROUGHT FORWARD	273.98-	819.20	0.00
1	1 1986 P/L NET BALANCE			
	TRANSACT & BALANCE	273.98-	819.20	0.00

11 02842

4.227 D. BUTTON FROM 01 01 87 TO 31 05 87

LEDGER DOC. NO CONTRA

A/C. NAME & DESCRIPTION DEBIT CREDIT BALANCE

|| 02543

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	ASSETS & LIABILITIES	DEBIT	CREDIT	BALANCE
5	***** ASSETS & LIABILITIES			US\$			
517401	***** PRIVATE INVESTMENTS RECEIVABLE			US\$			
	TRANSACTION & BALANCE				0.00	0.00	0.00
526101	***** FID. DEPOSIT - R. N. B.			US\$			
	TRANSACTION & BALANCE				0.00	0.00	0.00
526601	***** FID. DEPOSIT - CREDIT SUISSE			US\$			
	TRANSACTION & BALANCE				0.00	0.00	0.00
550801	***** SECURITIES - CAN. IMP. BK OF COMMER			US\$			
1	BROUGHT FORWARD				211 000.00		211 000.00
8	SALE			211000 - 8475 5600001		211 000.00	
8	INTEREST TO 30.03.87 AT 0.437			8475 5600001		207.70	
8	REVERSAL			8475 5600001	207.70		0.00
	TRANSACTION & BALANCE				211 207.70	211 207.70	0.00
551401	***** SECURITIES - BEAR STEARNS			US\$			
	TRANSACTION & BALANCE				0.00	0.00	0.00

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
551801	***** SECURITIES - MERRILL LYNCH		US\$			
8 1	6.0000 EURO-CD TORONTO DOMINION PURCHASE 210000+18001	5600001		210 000.00		210 000.00
8 4	6.0000 EURO-CD TORONTO DOMINION REDEMPTION 210000-18002	5600001			210 000.00	
8 4	6.2500 MERRILL LYNCH 8/5/87					
8 5	6.8750 MERRILL LYNCH 8/7/87			213 150.00		213 150.00
8 5	6.2500 MERRILL LYNCH 8/5/87			214 262.98		214 262.98

637 412 98 423 150 00 214 262.98

552201	***** SECURITIES - MORGAN STANLEY		US\$			
	TRANSACT. & BALANCE			0 00	0 00	0 00

552212	***** SECURITIES - MORGAN STANLEY		MF\$			
	TRANSACT. & BALANCE			0 00	0 00	0 00

552417	***** SECURITIES - REED STENHOUSE		HK\$			
	TRANSACT. & BALANCE			0 00	0 00	0 00

552420	***** SECURITIES - REED STENHOUSE		\$AU			
	TRANSACT. & BALANCE			0 00	0 00	0 00

4.227 B. BUTTON
LEDGER

FROM 01 01 87 TO 31 05 87

DEBIT || 02 CREDIT BALANCE

A/C. NAME & DESCRIPTION DOC NO CONTRA

5.52701 ***** SECURITIES - STRAUSS TURNBULL US\$		US\$	
TRANSACTION & BALANCE			
5.600001	***** CASH ACCOUNT		
1	BROUGHT FORWARD	185500-	62 639.84+
8	SALE	211000+ 8475 08JCD	990.71
8	INTEREST FM 30 1286 TO 08 01.	8475 08JCD	211 000.00
8	INTEREST TO 30.03 87 AT 0.437	8475 08JCD	339.58
8	6.0000 EURO-CD TORONTO DOMINION		207.70
8	PURCHASE	210000-18001 18JCDTO	210 000.00
8	REVERSAL	8475 08JCD	207.70
8	INTEREST TO 30 03 87 AT 0.43	8475 08JCD	207.70
30	MGT FEES 4TH QUARTER 1986	5001 101001	520.87
8	6.0000 EURO-CD TORONTO DOMINION		210 000.00
8	REDEMPTION	210000+18002 18JCDTO	3 150.00
8	6.0000 EURO-CD TORONTO DOMINION		
8	INTEREST	210000+18002 18JCDTO	
8	6.2500 MERRILL LYNCH 8/5/87		
8	FIDUCIARY DEPOSIT	213150-18003 18J128A	213 150.00
21	MGT. FEES 1ST QUARTER 1987	6001 101001	132.50
8	6.8750 MERRILL LYNCH 8/7/87		
8	FIDUCIARY DEPOSIT	214262-18005 18J189A	214 262.98
8	6.2500 MERRILL LYNCH 8/5/87		
8	REDEMPTION	213150+18004 18J128A	213 150.00
8	5 CREDIT INTEREST	1 110.15	1 881.79

TRANSACTION & BALANCE		US\$	
		62 639.84+	638 274.05
		234,388+	1 881.79

FROM 01 01 87 TO 31 05 87

4227 B BUTTON
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
1600012	***** CASH ACCOUNT				
	TRANSACT & BALANCE		0.00	0.00	0.00
1600017	***** CASH ACCOUNT				
1	1 BROUGHT FORWARD	1 486 31-	0.00		0.00
	TRANSACT & BALANCE	1 486 31-	0.00	0.00	0.00
1600020	***** CASH ACCOUNT				
	TRANSACT & BALANCE		0.00	0.00	0.00

H 02646

4227 B BUTTON 87 05 27 PAGE 7
LEDGER

FROM 01 01 87 TO 31 05 87 DEBIT 0284 CREDIT BALANCE

A/C. NAME & DESCRIPTION DOC. NO CONTRA US\$

5 ***** CHARGES US\$

573701 ***** BANK CHARGES US\$

TRANSACTION & BALANCE 0.00 0.00 0.00

4.227 B. BUTTON
LEDGER

FROM 01 01 87 TO 31 05 87

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
	***** INCOME		US\$			
	02648					
/60801	***** REAL GAINS/LOSSES - CIBC		US\$	0.00	0.00	0.00
	TRANSACTION & BALANCE					
/61401	***** REAL GAINS/LOSSES - BEAR STEARNS		US\$	0.00	0.00	0.00
	TRANSACTION & BALANCE					
/62201	***** REAL GAINS/LOSSES - MORGAN STANLEY		US\$	0.00	0.00	0.00
	TRANSACTION & BALANCE					
/62212	***** REAL GAINS/LOSSES - MORGAN STANLEY		MFK	0.00	0.00	0.00
	TRANSACTION & BALANCE					
/62417	***** REAL GAINS/LOSSES - REED STENHOUSE		HK\$	0.00	0.00	0.00
	TRANSACTION & BALANCE					
762420	***** REAL GAINS/LOSSES - REED STENHOUSE		\$AU	0.00	0.00	0.00
	TRANSACTION & BALANCE					
762701	***** REAL GAINS/LOSSES - STRAUSS TURNBU		US\$	0.00	0.00	0.00
	TRANSACTION & BALANCE					

4.227 B BUTTON FROM 01 01 87 TO 31 05 87
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
771101	***** INTEREST EARNED ON BONDS	US\$			
8 1	INTEREST FM 30.1286 TO 08.01	8475 5600001		339.58	
8 1	INTEREST TO 30.03.87 AT 0.43	8475 5600001		207.70	547.28-
8 4	6.0000 EURO-CD TORONTO DOMINION INTEREST	210000-18002 5600001		3 150.00	3 697.28-
	TRANSACT & BALANCE	210000-	0 00	3 697 28	3 697.28-
771201	***** DIVIDENDS	US\$			
	TRANSACT & BALANCE		0.00	0 00	0.00
771212	***** DIVIDENDS	MFK			
	TRANSACT & BALANCE		0 00	0 00	0 00
772201	***** INTEREST EARNED ON FTD	US\$			
8 5	CREDIT INTEREST	213150-18004 5600001		1 110.15	1 110.15-
	TRANSACT & BALANCE	213150-	0.00	1 110.15	1 110 15-
772301	***** INCOME ON INVESTMENTS	US\$			
	TRANSACT & BALANCE		0.00	0 00	0 00

|| 02849

87 05 29 PAGE 10

FROM 01 01 87 TO 30 06 87

4.064 HAKIM ALBERT
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
9	***** TRANSIT ACCOUNTS		US\$			
900100	***** TRANSIT ACCOUNT TRANSACTION & BALANCE		FS	0 00	0 00	0.00
900101	***** TRANSIT ACCOUNT TRANSACTION & BALANCE		US\$	0 00	0 00	0.00
GRAND TOTALS						
				2 667 653 10	2 667 653 10	0.00
				0 00	0 00	0.00
				0 00	0 00	0.00

11 02600

4227 B. BUTTON
LEDGER

FROM 01 01 87 TO 31 05 87

A/C. NAME & DESCRIPTION

DOC. NO CONTRA

DEBIT CREDIT BALANCE

.....
1 699 060 67	1 699 060 67	0.00
.....	02850
.....

GRAND TOTALS

FROM 01 01 87 TO 30 06 87

4064 HAKIM ALBERT
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
	***** CAPITAL				
	US\$				
100000	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS	FS			
	TRANSACTION & BALANCE		0 00	0 00	0 00
100001	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS	US\$			
	TRANSACTION & BALANCE				
1	1 BROUGHT FORWARD				546 035.31-
2	1 TRANSFER	101001	546 035.31		0 00
24	2 PMT INV NO 6297 / STC	1263 5600001	1 500 00		1 500.00
4	3 PMT F 2082 STC INT	1317 5600001	7 331 06		8 831 06
	TRANSACTION & BALANCE		554 866 37	546 035 31	8 831 06
101000	***** CAPITAL INVESTED	FS			
	TRANSACTION & BALANCE				
1	1 BROUGHT FORWARD	23000+	0 00		0 00
	TRANSACTION & BALANCE				
	TRANSACTION & BALANCE		0 00	0 00	0 00
101001	***** CAPITAL INVESTED	US\$			
	TRANSACTION & BALANCE				
1	1 BROUGHT FORWARD	44890-	291 654 68		286 441 85
1	1 1986 P/L NET BALANCE			5 212 83	259 593 46-
2	1 TRANSFER			546 035.31	258 159 28-
30	1 MGT FEES 4TH GAURTER 1986	100001	1 434.18		258 000 03-
21	4 MGT FEES 1ST QUARTER 1987	5001 5600001	159.25		
	TRANSACTION & BALANCE		293 248 11	551 248 14	258 000 03-

// 02851

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
101012	***** CAPITAL INVESTED		MFK			
1	1 BROUGHT FORWARD				5 035 72	0 00
1	1 1986 P/L NET BALANCE			5 035 72		
	TRANSACT & BALANCE			-----	5 035 72	0 00
101017	***** CAPITAL INVESTED		HK\$			
1	1 BROUGHT FORWARD				25 525 44	0 00
1	1 1986 P/L NET BALANCE			20 634 01+		
	TRANSACT & BALANCE			-----	25 525 44	0 00
101020	***** CAPITAL INVESTED		\$AU			
1	1 BROUGHT FORWARD				1 559 71	0 00
1	1 1986 P/L NET BALANCE			624 49-		
	TRANSACT & BALANCE			-----	1 559 71	0 00

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	US\$	DEBIT	CREDIT	BALANCE
	***** ASSETS & LIABILITIES			US\$			
05100	***** LOANS PAYABLE			FS			
	TRANSACT & BALANCE				0 00	0 00	0 00
05101	***** LOANS PAYABLE			US\$			
	TRANSACT & BALANCE				0 00	0 00	0 00
26101	***** FID DEPOSIT - R N B			US\$			
	TRANSACT & BALANCE				0 00	0 00	0 00
26601	***** FID DEPOSIT - CREDIT SUISSSE			US\$			
	TRANSACT & BALANCE				0 00	0 00	0 00
50801	***** SECURITIES - CAN IMP BK OF COMMER US\$						
1 1	BROUGHT FORWARD		259000+		259 000 00		259 000 00
8 1	SALE		259000- 8475 5600001			259 000 00	
8 1	INTEREST TO 30 03 87 AT 0 437		8475 5600001			254 95	
8 1	REVERSAL		8475 5600001		254 95		0 00
	TRANSACT & BALANCE				259 254.95	259 254.95	0 00

ii 02653

DEBIT CREDIT BALANCE
H 02654

A/C NAME & DESCRIPTION DOC. NO CONTRA

511401	000000	SECURITIES - DEAR STEARNS	US\$				
		TRANSACTION & BALANCE		0 00	0 00		0 00
511801	000000	SECURITIES - MERRILL LYNCH	US\$				
8 1	6 0000	EURO-CD TORONTO DOMINION					
		PURCHASE 250000+18001	5600001	250 000 00			250 000.00
8 4	6 0000	EURO-CD TORONTO DOMINION					
		REDEMPTION 2500000-18002	5600001	250 000 00			
8 4	6.2500	MERRILL LYNCH 8/5/87					
		FIDUCIARY DEPOSIT 253750+18003	5600001	253 750 00			253 750.00
8 5	6.8750	MERRILL LYNCH 8/7/87					
		FIDUCIARY DEPOSIT 255071+18005	5600001	255 071 00			
8 5	6 2500	MERRILL LYNCH 8/5/87					
		REDEMPTION 253750-18004	5600001	253 750 00			255 071.00

758 821 00 503 750 00 255 071.00

52201 000000 SECURITIES - MORGAN STANLEY US\$

		TRANSACTION & BALANCE		0 00	0 00		0 00
--	--	-----------------------	--	------	------	--	------

52212 000000 SECURITIES - MORGAN STANLEY MFK

		TRANSACTION & BALANCE		0 00	0 00		0 00
--	--	-----------------------	--	------	------	--	------

52217 000000 SECURITIES - REED STENHOUSE HK\$

		TRANSACTION & BALANCE		0 00	0 00		0 00
--	--	-----------------------	--	------	------	--	------

4.064 HAKIM ALBERT
LEDGER

FROM 01 01 87 TO 30 06 87

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
152420	***** SECURITIES - REED STENHOUSE					
	TRANSACTION & BALANCE			0.00	0.00	0.00
5600001	***** CASH ACCOUNT					
	1 BROUGHT FORWARD	431233-				
8 1	SALE	259000+	8475 08JCD	593.46		593.46
8 1	INTEREST FM 30 1286 TO 08 01	8475 08JCD		416.83		
8 1	INTEREST TO 30 03 87 AT 0.43	8475 08JCD		254.95		
8 1	6.0000 EURO-CD TORONTO DOMINION	250000-18001	18JCDTO		250 000 00	
8 1	REVERSAL	8475 08JCD			254.95	
8 1	INTEREST TO 30 03 87 AT 0.43	8475 08JCD		254.95		
30 1	MGT FEES 4TH QUARTER 1986	5001	101001		1 434.18	10 265.24
24 2	PMT INV NO 6297 / STC	1263	100001		1 500.00	8 831.06
4 3	PMT F 2082 STC INT	1317	100001		7 331.06	7 331.06
8 4	6.0000 EURO-CD TORONTO DOMINION	250000+18002	18JCDTO			0.00
8 4	REDEMPTION			250 000 00		
8 4	6.0000 EURO-CD TORONTO DOMINION	250000+18002	18JCDTO			
8 4	INTEREST	250000+18002	18JCDTO	3 750.00		
8 4	6.2500 MERRILL LYNCH 8/5/87					
	FIDUCIARY DEPOSIT	253750-18003	18J128A		253 750 00	0.00
21 4	MGT FEES 1ST QUARTER 1987	6001	101001		159.25	159.25-
8 5	6.8750 MERRILL LYNCH 8/7/87					
8 5	FIDUCIARY DEPOSIT	255071-18005	18J189A		255 071 00	
8 5	6.2500 MERRILL LYNCH 8/5/87					
	REDEMPTION	253750+18004	18J128A	253 750 00		
8 5	CREDIT INTEREST	253750+18004	772201	1 321.61		158.64-
	TRANSACTION & BALANCE	76446+		154 629.61+	769 500.44	158.64-

H 02055

154 629.61+ 769 341.80 769 500.44

FROM 01 01 87 TO 30 06 87

4064 HAKIM ALBERT
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5600012	***** CASH ACCOUNT		HK\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
5600017	***** CASH ACCOUNT		HK\$			
1 1	BROUGHT FORWARD	10000+		0 00		0 00
				20 634.01-		0 00
	TRANSACTION & BALANCE	10000+		0 00	0 00	0 00
5600020	***** CASH ACCOUNT		9AU			
	TRANSACTION & BALANCE			0 00	0 00	0 00
5600300	***** CSF INVOICES		FS			
	TRANSACTION & BALANCE			0 00	0 00	0 00
5600301	***** CSF INVOICES		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
5600601	***** CSF DIVERS ACCOUNT		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00

4064	HAKIM ALBERT LEDGER	FROM 01 01 87 TO 30 06 87	87 05 29	PAGE	7
A/C	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
	000000 CHARGES			02857	
671001	000000 INTEREST PAID - CURRENT ACCOUNT	US\$			
	TRANSACTION & BALANCE	US\$	0 00	0 00	0 00
672000	000000 INTEREST PAID	FS			
	TRANSACTION & BALANCE		0 00	0 00	0 00
672001	000000 INTEREST PAID	US\$			
	TRANSACTION & BALANCE		0 00	0 00	0 00
673701	000000 BANK CHARGES	US\$			
	TRANSACTION & BALANCE		0 00	0 00	0 00

4064 HAKIM ALBERT
LEDGER

FROM 01 01 87 TO 30 06 87

A/C	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
/	***** INCOME				
				02858	
/60801	***** REAL GAINS/LOSSES - CIBC				
	TRANSACT. & BALANCE		0 00	0 00	0 00
/61401	***** REAL GAINS/LOSSES - BEAR STEARNS				
	TRANSACT. & BALANCE		0 00	0 00	0 00
/62201	***** REAL GAINS/LOSSES - MORGAN STANLEY				
	TRANSACT & BALANCE		0 00	0 00	0 00
/62212	***** REAL GAINS/LOSSES - MORGAN STANLEY MFK				
	TRANSACT & BALANCE		0 00	0 00	0 00
/62417	***** REAL GAINS/LOSSES - REED STENHOUSE HK\$				
	TRANSACT & BALANCE		0 00	0 00	0 00
/62420	***** REAL GAINS/LOSSES - REED STENHOUSE \$AU				
	TRANSACT & BALANCE		0 00	0 00	0 00
/71101	***** INTEREST EARNED ON BONDS				
			0 00	0 00	0 00
8 1	INTEREST FM 30.1286 TO 08.01	8475 5600001		416.83	
8 1	INTEREST TO 30.03 87 AT 0.43	8475 5600001		254.95	671.78-
8 4	6.0000 EURO-CD TORONTO DOMINION INTEREST	250000-18002 5600001		3 750.00	4 421.78-

87 05 29 PAGE 9

FROM 01 01 87 TO 30 06 87

4.064 HAKIM ALBERT
LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
771101	INTEREST EARNED ON BONDS		(SUITE)			
	TRANSACT & BALANCE	250000-		0 00	4 421 78	4 421 78
771201	***** DIVIDENDS		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
771212	***** DIVIDENDS		NFK			
	TRANSACT & BALANCE			0 00	0 00	0 00
772201	INTEREST EARNED ON DEPOSITS		US\$			
8 5	CREDIT INTEREST	253750-18004	5600001		1 321 61	1 321 61
	TRANSACT & BALANCE	253750-		0 00	1 321 61	1 321 61

CSF INVESTMENTS LTD.
HAMILTON, BERMUDEA

1064 HAKIM ALBERT FROM 01 01 86 TO 31 12 86 87 01 27 PAGE 1
LEDGER

3/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

US\$

TRANSACTION	CAPITAL CONTRIBUTIONS/WITHDRAWALS	US\$	TRANSACTION	CAPITAL CONTRIBUTIONS/WITHDRAWALS	US\$
19000	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS	FC			
	TRANSACTION \$ BALANCE			0.00	0.00
19000	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS	US\$			
	TRANSACTION \$ BALANCE			0.00	0.00
1	1 BROUGHT FORWARD	101001	200.00*	62 380.00	62 380.00
2	1 TRANSFER	5008 5600001		50 000.00	50 000.00
7	1 TR TO BK OF AMERICA	5162 5600001		72 580.00	122 580.00
15	1 TR TO ALA BORA	5157 5600001		50 000.00	172 580.00
6	2 CASH WITHDRAWAL	5235 5600001			165 000.00
7	2 TR FROM LAKE RESOURCES	5331 5600001		20 100.00	27 680.00
14	3 TR TO LOS GATOS + BC	5393 5600001		15 000.00	42 680.00
26	3 PMT TO A HAKIM	6042 5600001		10 000.00	52 680.00
16	4 CASH WITHDRAWAL	6043 5600001			15 000.00
18	4 NEW FUNDS	6044 5600001			72 580.00
18	4 PART - RBT CASH US\$ 10000	6045 5600001	5 577.75-		3 000.00
18	4 CHG 425 MISC EXPENSES EXPANTRADE	6054 5600001	4 491.10+	2 382.55	
18	4 CHG 426 A BALESTRA RE/EXPANTRADE	6056 5600001	1 290.00+	685.00	34 833.45
21	4 PMT INV 9247 EXPANTRADE	6077 5600001		800.00	
21	4 INV 1015 9453.1030 + RENT 6 MONTH	6079 5600001	7 382.80+	4 043.37	29 986.08
22	4 PMT INV R XEROX RE EXPANTRADE	6078 5600001	817.05+	447.70	
22	4 NEW FUNDS	6086 5600001			50 000.00
1	5 PMT REGISTRE DU COMMERCE	6120 5600001	90.00+	50.00	79 540.38
15	5 PMT INV CIE DE SERV FID SA	6212 5600001		800.00	78 690.38
14	5 PMT INV HOTEL INTERCONTINENTAL	6175 5600001	2 744.40+	1 524.67	77 165.71
20	5 NEW FUNDS	6189 5600001			26 690.00
21	5 PMT INV BALESTRA SFR 1200	6195 5600001		659.34	102 996.37
23	5 TR FROM HYDE PARK	2394 5600001			102 996.37
22	5 NEW FUNDS	2448 5600001		500 000.00	602 996.37
2	6 NEW FUNDS	6269 5600001		258 300.00	861 296.37
9	6 TR TO LILLICK MCHOSE	6323 5600001		79 167.00	940 463.37
				20 000.00	920 463.37

H 02062

37 71 27 PAGE 2

1064 HAKIM ALBERT
LEDGER

FROM 01 01 86 TO 31 12 86

V/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
1000	CAPITAL CONTRIBUTIONS/ALITHRAHA		(SUITE)			
7	3 CASH WITHDRAWAL 1 4610	6328	5600001	5 012 30		215 350 87-
7	3 3 FROM DEFEX	5622	5600001		1 137 00	225 633 87-
7	7 PMT SALESTRA SFR 1 290 00	7080	5600001	754 39		225 872 68-
7	9 TRANSFER FM U B S FRIBOURG	7286	5600001		233 398 00	
7	9 CHQ 81 MR EZZIE HAKIM	7292	5600001	3 765 00		1 180 511 68-
7	9 TRANSFER TO BLEIN FILS SALESTRA	7398	5600001	735 37		1 77 726 09-
7	10 CHQ TO RUTTENBERG	8253	5600001	2 900 00		1 77 726 09-
7	10 TRANSFER	85 872 80				1 092 033 49-
7	10 PMT TO VITA LIFE INSURANCE	8036	5600001	19 610 00+		1 079 713 86-
7	10 TRANSFER TO LOS GATOS	8058	5600001	25 000 00		1 054 713 86-
7	10 PMT TO VITA LIFE INSURANCE	8074	5600001	4 983 25		1 049 730 81-
7	10 11 TRANSFER RE FORWARD	8180	5600001	503 693 30		546 033 31-

TRANSACTION & BALANCE 37 379 60+ 933 462 69+ 501 498 00 546 033 31-

31000	***** CAPITAL INVESTED	FS
1	1 BROUGHT FORWARD	23000+
2	12 INV 1488	7 927 12-
12	12 PMT INV NO 1488	38 850 75
		5600300
		5600300

TRANSACTION & BALANCE 23000+ 7 927 12- 38 850 75 0 00

31001	***** CAPITAL INVESTED	US\$
1	1 BROUGHT FORWARD	264005+
1	1 P/L NET BALANCE YEAR 1985	17 261 30+
2	1 TRANSFER	105 993 63
16	1 HANDLING FEE	156 681 00
7	3 PMT INV NO 952Z	62 380 00
7	5 15 5000 PN 8215 2/4/83	720 00
7	5 15 5000 PN 8215 2/4/83	
7	5 15 5000 PN 8215 2/4/83	6 043 00
7	5 15 5000 PN 8215 2/4/83	
7	5 15 5000 PN 8215 2/4/83	258 300 00
7	5 15 5000 PN 8215 2/4/83	
7	5 15 5000 PN 8215 2/4/83	319 731 63
7	5 15 5000 PN 8215 2/4/83	
7	5 15 5000 PN 8215 2/4/83	258 300 00
7	5 15 5000 PN 8215 2/4/83	
7	5 15 5000 PN 8215 2/4/83	30 596 30

02863

FROM 01 01 86 TO 31 12 86

4064 HAKIM ALBERT
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
10001	CAPITAL INVESTED		(SUITE)			
23 5	15-5000 PN 8215 2/4/83					
	ADJ QTY	1+	5131215	0 00		
23 5	PN 8215 RBT		5600001	258 300 00		289 135 33
7 7	MGT FEES 2ND QUARTER 1986		7001 5600001	782 59		289 917 92
9 9	US\$/AUS\$ AT 0.6325		24001 5600001	7 526 69		297 444 61
18 9	US\$/AUS\$ AT 7.8035		7364 5600001	17 356 38		314 800 99
15 10	MGT FEES 3RD QUARTER 1986		8001 5600001	1 892 28		316 693 27
25 11	HKF/US\$ AT 20.455		22026 5600001	8 700 68		325 393 95
23 12	HKF/US\$ AT 4.909		8418 5600001	37 500 00	7 639 03	
23 12	HK\$/US\$ AT 7.801		8418 5600001	160 965 94	20 634 01	
23 12	AUS\$/US\$ AT 1.4981		8418 5600001	10 340 20	6 902 20	
23 12	MGT FEES 4TH QUARTER 86		8428 5600001	1 435 97		291 654 68
	TRANSACTION & BALANCE	44890-		621 769 22	330 114 54	291 654 68

101012	***** CAPITAL INVESTED	HKF				
25 11	HKF/US\$ AT 20.455		22026 5600017	8 700 68	42 535 72	42 535 72
25 12	HKF/US\$ AT 4.909		8418 5600017	37 500 00	5 025 72	5 025 72
	TRANSACTION & BALANCE			37 500 00	42 535 72	42 535 72

101017	***** CAPITAL INVESTED	HK\$				
18 9	US\$/AUS\$ AT 7.8035		7364 5600017	135 445 50	135 445 50	135 445 50
23 12	HK\$/US\$ AT 7.801		8418 5600017	160 965 94	25 525 42	25 525 42
	TRANSACTION & BALANCE			160 965 94	175 470 50	25 525 42

11 02864 87 01 27 PAGE 4

FROM 01 01 86 TO 31 12 86

066 HAKIM ALBERT
LEDGER

3/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

3/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
01020	100000 CAPITAL INVESTED		100			
02	9 US\$7005 AT 0.6325	21001	5600020	7 525 59	11 399 91	11 399 91-
03	12 AUS\$7005 AT 1.5981	8613	5600020	6 702 20	10 340 20	1 559 71-
	TRANSACT X BALANCE			525 59	11 399 91	1 559 71-

CSF INVESTMENTS LTD.
HAMILTON, BERMUDEA

87 01 27 PAGE 5

4064 HAKIM ALBERT FROM 01 01 86 TO 31 12 86
LEDGER

A/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

11-02265

***** ASSETS & LIABILITIES US\$

505100 ***** LOANS PAYABLE FS
TRANSACTION & BALANCE 0 00 0 00 0 00

505101 ***** LOANS PAYABLE US\$

1	1	BROUGHT FORWARD	279802-			279 802.71	279 802.71-
31	3	15-5000 PN 8215 274783					
		PN 8215 INT FR 171786	9093-	1509	672001	9 093 59	288 896 30-
22	4	15-5000 PN 8215 274783					
		PN 8215 PART RBT	35000+	2181	5600001	35 000 00	
22	4	15-5000 PN 8215 274783					
		PN 8215 CANCEL ENTRY	35000-	2181	5600001	35 000 00	288 896.30-
23	5	15-5000 PN 8215 274783					
		PN 8215 RBT	258300+	2394	101001	258 300 00	
23	5	15-5000 PN 8215 274783					
		PN 8215 CANCEL INT	30596+	2394	101001	30 596 30	
23	5	15-5000 PN 8215 274783					
		ADJ QTY	1-		101001	0 00	0 00

TRANSACTION & BALANCE

26101 ***** FID. DEPOSIT - R.N.B. US\$

23	5	6-7500 CALL R.N.B. NEW YORK	241700+	2450	5600001	241 700 00	241 700 00
29	5	6-7500 CALL R.N.B. NEW YORK					
		ON CALL	258300+	2450	5600001	258 300 00	500 000 00
18	6	5-2500 RMB NEW YORK CALL					
		ON CALL	120000+	6446	5600001	120 000 00	620 000 00
30	6	5-2500 RMB NEW YORK CALL	10000-	6446	5600001	10 000 00	710 000 00
		OFF CALL					

CSP INVESTMENTS LTD.
HAMILTON, BERMUDA

87 01 27 PAGE 4

1064 HAKIM ALBERT FROM 01 01 86 TO 31 12 86

V/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
						H 02866
1	5 2500 RNB NEW YORK CALL	110000	7175 5600001	110 000 00		610 000 00
2	5 2500 RNB NEW YORK CALL			10 000 00	110 000 00	620 000 00
3	6 0000 R N B NEW YORK 219/86	500000	3285 5600001	500 000 00		
4	6 0000 R N B 02/09/86	120000	7356 5600001	120 000 00		1 240 000 00
5	5 2500 RNB NEW YORK CALL	120000	7353 5600001		120 000 00	1 120 000 00
6	5 2500 RNB NEW YORK CALL	120000	7353 5600001	120 000 00		1 240 000 00
7	6 7500 CALL R.N.B. NEW YORK	343000	3373 5600001		343 000 00	
8	5 2500 RNB NEW YORK CALL	120000	7353 5600001		120 000 00	
9	5 3750 R N B 03/09/86	120000	7358 5600001	120 000 00		897 000 00
10	6 0000 R N B NEW YORK 219/86	500000	3337 5600001		500 000 00	
11	6 0000 R N B 02/09/86	120000	7357 5600001	120 000 00		
12	5 3750 R N B NEW YORK	157000	3528 5600001		157 000 00	120 000 00
13	5 3750 R N B 03/09/86	120000	7369 5600001	120 000 00		0 00
14	6 7500 CALL R.N.B. NEW YORK	200000	3528 5600001		200 000 00	200 000 00
15	5 2500 RNB NEW YORK CALL	90000	7638 5600001	90 000 00		290 000 00
16	6 7500 CALL R.N.B. NEW YORK	100000	4285 5600001		100 000 00	190 000 00
17	6 7500 CALL R.N.B. NEW YORK	100000	4285 5600001		100 000 00	90 000 00

4064 HAKIM ALBERT FROM 01 01 86 TO 31 12 86
LEDGER

A/C NAME & DESCRIPTION DOC NO CONTRA (SUITE) H 02867
528101 FID DEPOSIT - R N B
10 11 5,2500 RNB NEW YORK CALL 90000- 8199 5600001 0 00
OFF CALL

TRANSACT & BALANCE 1 890 000 00 1 890 000 00 0 00

528601 ***** FID DEPOSIT - CREDIT SUISSE US\$
9 6 6 1250 CALL CREDIT SUISSE 56000+ 6290 5600001 56 000 00
ON CALL
16 6 6 1250 CALL CREDIT SUISSE 56000- 6320 5600001 56 000 00
OFF CALL
24 9 6 1250 CALL CREDIT SUISSE 560000+ 7418 5600001 560 000 00
ON CALL
12 11 6 1250 CALL CREDIT SUISSE 560000- 8151 5600001 560 000 00
OFF CALL

TRANSACT & BALANCE 777 000 00 777 000 00 0 00

550301 ***** SECURITIES - CAN IMF BK OF COMMER US\$
30 12 6,4375 CIBC CERTIFICATES DEPOSIT 259000+ 8475 5600001 259 000 00
PURCHASE

TRANSACT & BALANCE 259000+ 259 000 00 259 000 00

551401 ***** SECURITIES - BEAR STEARNS US\$
10 9 KEYSTONE INTERNATIONAL INC 500+14084 5600001 6 817 50
PURCHASE
30 10 KEYSTONE INTERNATIONAL INC 8298 5600001 6 817 21
TENDERED
12 11 CITIZENS FINANCIAL GROUP INC 600+14100 5600001 6 817 00
PURCHASE

J/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
1056	HAKIM ALBERT LEDGER	FROM 01 01 86 TO 31 12 86				
11 01	SECURITIES - DEAR STEARNS		(SUITE)			
12 12	KEYSTONE INTERNATIONAL INC SALE	500-24704	5600001		233 75	
12 12	KEYSTONE INTERNATIONAL INC GAIN	761401		225 74		22 702 81
12 12	CITIZENS FINANCIAL GROUP INC SALE	300-11115	5600001		163 31	
12 12	CITIZENS FINANCIAL GROUP INC LOSS	761401				0 00
	TRANSACT. & BALANCE			29 741 25	29 741 25	0 00
31801	SECURITIES - MERRILL LYNCH		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
32201	SECURITIES - MORGAN STANLEY		US\$			
16 5	JOHNSON ELECTRIC ORD (HONG KONG) PURCHASE	10000-22020	5600001	6 100 00		6 100 00
16 12	JOHNSON ELECTRIC ORD (HONG KONG) SALE	10000-22051	5600001		7 301 89	
16 12	JOHNSON ELECTRIC ORD (HONG KONG) GAIN	762201		1 201 89		0 00
	TRANSACT. & BALANCE			7 301 89	7 301 89	0 00
32212	SECURITIES - MORGAN STANLEY		HK\$			
12 11	POHJOLA (NEWS) B PURCHASE	500-22026	5600012	62 335 72		62 335 72
12 12	POHJOLA (NEWS) B SALE	500-22030	5600012		37 300 00	
12 12	POHJOLA (NEWS) B LOSS	762212			5 035 72	0 00

ii 02868

11 02869

GAIN	762201	56 900.00+	1 201.89	0.00
TRANSACTION & BALANCE				
	762212		7 301.89	0.00
***** SECURITIES - MORGAN STANLEY MPK				
25 11	POHJOLA (NEWS) B			
	PURCHASE	500+22026 5600012	42 535.72	42 535.72
22 12	POHJOLA (NEWS) B			
	SALE	500-22030 5600012	37 500.00	
22 12	POHJOLA (NEWS) B			
	LOSS	762212	5 035.72	0.00

0354 HAKIM ALBERT FROM 01 01 86 TO 31 12 86

LEADER

A/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

5212 SECURITIES - MORGAN STANLEY (SUITE) # 02870

TRANSACTION BALANCE 42 535.72 42 325.72 0.00

3417 SECURITIES - REED STENHOUSE HK\$

2 7 HONG KONG LAND PURCHASE 20000-24002 5600017 135 440 50 135 440 50

15 10 DAIRY FARM RCVD FREE 1 X 2 H.K. LAND 10000+24004 # 15 440 50

15 10 HONG KONG LAND RCVD FREE 1 X 2 H.K. LAND 24004 #240F 15 440 50 135 440 50

4 11 DAIRY FARM SALE 4000-24005 5600017 9 922 50

4 11 DAIRY FARM GAIN 762417 3 746 30

4 11 HONG KONG LAND PURCHASE 1528+24006 5600017 9 920 88 139 185 13

17 12 HONG KONG LAND SALE 21528-24008 5300017 139 717 67

17 12 HONG KONG LAND GAIN 762417 9 796 59

17 12 DAIRY FARM COST ON DAIRY FARM 24007 5600017 6 690 90

17 12 DAIRY FARM SALE 6000-24007 5600017 25 937 75

17 12 DAIRY FARM GAIN 762417 11 982 55 0.00

TRANSACTION & BALANCE 191 018.22 191 018.22 0.00

CSF INVESTMENTS LTD.
HAMILTON, BERMUDEA

87 01 27 PAGE 10

4064 HAKIM ALBERT
LEDGER FROM 01 01 86 TO 31 12 86

A/C. NAME & DESCRIPTION DOC. NO CONTRA # 02871 DEBIT CREDIT BALANCE

552420	SECURITIES - REED STENHOUSE	\$AU			
9	TECHNOMIN PURCHASE	25000+24001	5600020	11 899.91	11 899.91
23 12	TECHNOMIN SALE	25000-24009	5600020	10 340.20	
23 12	TECHNOMIN LOSS	7624.20		1 559.71	0 00

TRANSACT. & BALANCE 11 899.91 11 899.91 0 00

5600001 ***** CASH ACCOUNT US\$

1	BROUGHT FORWARD	172733-		17 461.30-	39 208.92-
7	TR. TO BK OF AMERICA	5008 100001			50 000 00
7	BANK CHARGES	5008 673701		2 39	89 211.31-
5	TR. TO ALA BORA	5162 100001		72 580 00	
16	HANDLING FEE	5162 101001		720 00	162 511.31-
6	CASH WITHDRAWAL	5157 100001		50 000 00	212 511.31-
7	TR FROM LAKE RESOURCES	5255 100001		165 000 00	47 511.31-
14	TR. TO LOS GATOS + BC	5331 100001		20 100 00	67 611.31-
26	PMT TO A. HAKIM	5393 100001		15 000 00	82 611.31-
2	DT AT 8 % FROM 17775	6055 671601		2 820 00	85 531.31-
12	CASH WITHDRAWAL	6042 100001		10 300 00	95 831.31-
18	NEW FUNDS	6043 100001		15 000 00	
18	NEW FUNDS	6044 100001		72 580 00	
18	PART. RBT CASH US\$ 10000 -	6045 100001		5 577.75+	
18	CHQ 425 MISC. EXPENSES EXPNTRADE	6054 100001		3 000 00	
18	CHQ 426 A. BALESTRA RE/EXPANTRADE	6056 100001		4 491.10-	2 382.55
21	PMT INV. 9247 EXPANTRADE	6077 100001		1 290 00-	684 00
21	INV. 1015 9453 1030 + RENT	6079 100001		800 00	800 00
22	15 5000 PN 8215 274783			7 382.80-	6 045.37
	PN 8215 PART RBT	35000- 2181	5131215		35 000 00
22	15 5000 PN 8215 274783				
	PN 8215 CANCEL ENTRY	25000+	5131215	35 000 00	

FROM 01 01 86 TO 31 12 86 02872

1264 HAKIM ALBERT
LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
500001	CASH ACCOUNT		(SUITE)			
2	5 PAT INV P XEROX RE EXPARTSAIDE	6079	100001	317.05-	517.70	35,689.07
2	5 NEW FUNDS	6088	100001			35,539.07
1	5 PAT REGISTRE DU COMMERCE	6120	100001	90.00-	50.00	35,439.07
15	5 PAT INV CIE DE SERV FID SA	6212	100001		800.00	
16	5 PAT INV HOTEL INTERCONTINENTAL	6175	100001	2,744.40-	1,524.67	
1	5 JOHNSON ELECTRIC ORD (HONG KONG)					
	PURCHASE	10000-	22029 22JOHN		6,700.00	23,214.40
20	5 NEW FUNDS	5189	100001	26,490.00		34,704.40
21	5 PAT INV DALESTRA SFR 1200	6199	100001		659.34	34,045.06
23	5 PN 8215 RBT		101001		258,300.00	
23	5 TR FROM HYDE PARK		2394 100001	500,000.00		
23	5 6.7500 CALL R.N.B. NEW YORK					
	ON CALL	241700-	6113602		241,700.00	54,045.06
29	5 NEW FUNDS			258,300.00		
29	5 6.7500 CALL R.N.B. NEW YORK					
	ON CALL	258300-	6113602		258,300.00	54,045.06
7	6 1250 CALL CREDIT SUISSE	6269	100001	79,167.00		133,212.06
9	6 TR. TO LILLICK MCHOSE	56000-	6290 661000K		56,000.00	
15	6 INTEREST	6323	100001		20,000.00	57,212.06
16	6 6.1250 CALL CREDIT SUISSE	6496	772201	923.37		57,737.43
	OFF CALL	56000+	6320 661000K	56,000.00		
17	6 CALL INT.	6386	772201	63.33		113,802.76
17	6 CASH WITHDRAWAL + AGIO	6328	100001		5,012.50	108,790.26
18	6 5.2500 RMB NEW YORK CALL					
	ON CALL	120000-	6446 6113600		120,000.00	11,209.74-
19	6 TR. FROM DEFEX	6422	100001	11,183.00		26.74-
30	6 5.2500 RMB NEW YORK CALL					
	OFF CALL	10000+	6446 6113600	10,000.00		9,973.26
2	5 2500 RMB NEW YORK CALL					
	OFF CALL	110000+	7175 6113600	110,000.00		119,973.26
7	7 MGT FEES 2ND QUARTER 1986	7001	101001		782.99	119,190.67
9	7 CALL INTEREST JUNE			276.03		119,688.70
10	7 INTEREST					
15	7 5.2500 RMB NEW YORK CALL			2,671.23		122,137.93

02873

87 01 27 PAGE 12

FROM 01 01 86 TO 31 12 86

4064 HAKIM ALBERT
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT		(SUITE)			
18 7	5 2500 RNB NEW YORK CALL	110000-	7175 61JJ600		110 000 00	12 137 93
21 7	PAT BALESTRA SFR 1.290,00	10000-	7175 61JJ600		10 000 00	2 137 93
31 7	CALL INTEREST	7206	712201	348 49	754 39	1 383 54
6 8	INTEREST	3209	712201	2 547 94		1 732 03
18 8	6.0000 R.N.B. NEW YORK 2/9/786				500 000 00	4 279 97
18 8	FIDUCIARY DEPOSIT	500000-	3285 61J245B			
18 8	6.0000 R.N.B. 02/09/786					
21 8	FIDUCIARY DEPOSIT	120000-	7356 61J245A		120 000 00	615 720 03-
28 8	5.2500 RNB NEW YORK CALL	120000+	7353 61JJ600	120 000 00		495 720 03-
7 8	6.7500 CALL R.N.B. NEW YORK	120000-	7353 61JJ600			
29 8	5.2500 RNB NEW YORK CALL	343000+	3373 61JJ60Z	243 000 00		615 720 03-
29 8	5.3750 R.N.B. 03/09/786	120500+	7353 61JJ600	120 000 00		
2 9	FIDUCIARY DEPOSIT	120000-	7358 61J246A		120 000 00	
2 9	TRANSFER FROM U.B.S. FRIROURG	7286	1000001	258 398 00		77 716 03-
2 9	6.0000 R.N.B. NEW YORK 2/9/786	500000+	3537 61J243C	500 000 00		
2 9	INTEREST	2227	712201	1 234 88		
2 9	5.0000 R.N.B. 02/09/786					
2 9	INTEREST	120000+	7357 61J245A	120 000 00		
2 9	INTEREST	7357	712201	295 89		
2 9	INTEREST	7357	712201	123 29		
2 9	6.7500 CALL R.N.B. NEW YORK	157000+	3528 61JJ60Z	157 000 00		61 730 03
3 9	CHQ 481 MR EZZIE HAKIM	7292	1000001	3 766 00		
3 9	5.3750 R.N.B. 02/09/786					
3 9	INTEREST	120000+	7369 61J246A	120 000 00		880 652 78
8 9	CALL INT.	7369	712201	88 35		
2 9	6.7500 CALL R.N.B. NEW YORK	7371	712201	378 08		

11-02674

FROM 01 01 86 TO 31 12 86

HAKIM ALBERT
LEDGER

LC	NAME & DESCRIPTION	DOC NO CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
2000	CASH ACCOUNT					
	ON CALL	230000-	611602		560 000 00	561 930 46
	9 0587303 AT 0.3325	24001	101001	11 399 91	526 59	473 503 77
1	5 2500 RMB NEW YORK CALL	90000-	611600		90 000 00	583 503 77
5	9 INTEREST	3426	772201	2 333 72		585 837 49
3	9 05378K3 AT 7 8035	7364	101001		755 78	588 593 11
3	KEYSTONE INTERNATIONAL INC PURCHASE	500-	14084 14K11		6 312 50	561 569 61
24	9 6 1250 CALL CREDIT SUISSE	560000-	7416 661000K		560 000 00	1 668 61
29	9 TRANSFER TO BLEIN FILS BALESTRA	7398	100001		785 39	883 22
1	10 6 1500 CALL R N B NEW YORK	100000+	4285 611602	100 000 00		100 883 22
3	10 6 1500 CALL R N B NEW YORK	100000+	4285 611602	100 000 00		200 883 22
7	10 CALL INTEREST	8029	772201	245 96		201 129 18
10	10 CHG TO RUITTENBERG	4253	100001		2 000 00	
10	10 BANK CHARGES	4253	673701		50 00	199 079 13
4	10 CALL INTEREST	8047	772201	1 555 55		
4	10 TRANSFER	8106	100001		85 672 60	114 962 13
15	10 INTEREST	4105	772201	655 46		
15	10 MGT FEES 3RD QUARTER 1986	8001	101001		1 892 28	113 725 31
17	10 PMT TO VITA LIFE INSURANCE	8036	100001	19 610 00-	12 339 63	101 385 68
5	10 TRANSFER TO LOS GATOS	8058	100001		25 000 00	76 385 68
24	10 PMT TO VITA LIFE INSURANCE	8074	100001	8 332 00-	6 983 25	71 402 43
30	10 KEYSTONE INTERNATIONAL INC TENDERED	8298	14K11	0 29		71 402 72
3	11 CALL INTEREST	8193	772201	401 30		71 804 02
10	11 5 2500 RMB NEW YORK CALL	8160	100001		503 695 30	
	OFF CALL	90000+	8199 611600	90 000 00		
10	11 INTEREST	4288	772201	28 76		341 862 52-
12	11 6 1250 CALL CREDIT SUISSE	560000+	8151 661000K		560 000 00	
	OFF CALL	8151	772201		2 199 76	
12	11 CALL INTEREST	8151	772201			
12	11 CITIZENS FINANCIAL GROUP INC					

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
500001	CASH ACCOUNT					
	PURCHASE	600-14100	14C1TM (SUITE)		22 702 81	197 633 83
25 11	MKF705\$ AT 20 455	22026	101001	42 535 72	8 700 88	
25 11	KEYSTONE INTERNATIONAL INC.					
	DIVIDEND	500+ 8391	14K11	42 00		188 975 15
16 12	JOHNSON ELECTRIC ORD. (HONG KONG)					
	SALE	10000+22051	22JOHM	7 301 89		190 277 04
17 12	KEYSTONE INTERNATIONAL INC					
	SALE	500+14104	14K11	7 035 15		203 315 19
19 12	CITIZENS FINANCIAL GROUP INC					
	SALE	600+14115	14C1TM	22 539 00		225 854 19
23 12	MKF705\$ AT 4 909	8418	101001	7 639 03		
23 12	MKF705\$ AT 7 801	8418	101001	160 965 94		
23 12	MKF705\$ AT 1 4981	8418	101001	6 902 20		
23 12	MGT FEES 4TH QUARTER 86	8428	101001		1 435 97	259 593 46
30 12	6 4375 CIBC CERTIFICATES DEPOSIT					
	PURCHASE	259000-	8475 083CD		259 000 00	593 46

TRANSACTION & BALANCE 431233 154 625 81+ 4 068 187 76 4 067 593 90 593 46

500012 ***** CASH ACCOUNT MK K

25 11	MKF705\$ AT 20 455	22026	101012	42 535 72		
25 11	PORJOLA (NEWS) B					
	PURCHASE	500-22026	22PORH		42 535 72	
22 12	PORJOLA (NEWS) B					
	SALE	500+22030	22PORH	37 500 00		37 500 00
23 12	MKF705\$ AT 4 909	8418	101012	7 639 03		0 00

TRANSACTION & BALANCE 1 061 65+ 20 035 72 80 035 72 0 00

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

11 02876
87 01 27 PAGE 15

JAC: HAKIM ALBERT FROM 01 01 86 TO 31 12 86
LEDGER

DATE NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

DATE	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
00017	***** CASH ACCOUNT					
9	HONG KONG LAND PURCHASE	20000-24002	24HKL	135 440.50		135 440.50-
9	US\$/HK\$ AT 7.8035	7364	101017	135 440.50		0.00
11	DAIRY FARM SALE	4000+24005	24DF	7 922.50		
11	HONG KONG LAND PURCHASE	1528-24006	24HKL	9 720.88		1.62
12	HONG KONG LAND SALE	21528+24008	24HKL	139 717.47		
12	DAIRY FARM COST ON DAIRY FARM	24007	24DF	6 690.90		
12	DAIRY FARM SALE	6000+24007	24DF	25 937.75		160 965.94
12	HK\$/US\$ AT 7.801	8418	101017	20 634.01-		0.00
	TRANSACTION & BALANCE	10000+		20 634.01-	311 018.22	0.00

DATE	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
00020	***** CASH ACCOUNT					
9	US\$/AUS\$ AT 0.6325	24001	101020	7 526.69+	11 899.91	0.00
9	TECHNOMIN PURCHASE	25000-24001	24TECH		11 899.91	0.00
12	TECHNOMIN SALE	25000+24009	24TECH	10 340.20		0.00
12	AUS\$/US\$ AT 1.4981	8618	101020	6 902.20-	10 340.20	0.00
	TRANSACTION & BALANCE			624.49+	22 240.11	0.00

87 01 27 PAGE 16

02677

FROM 01 86 TO 31 12 86

4064 HAKIM ALBERT
LEDGER

A/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

5600300 ##### CSF INVOICES FS

2 12 INV 1488 101000 38 850 75 38 850 75

12 12 PMT INV NO 1488 101000 38 850 75 0 00

TRANSACTION & BALANCE 38 850 75 38 850 75 0 00

5600301 ##### CSF INVOICES US\$

1 1 BROUGHT FORWARD 6 043 00 6 043 00

26 3 PMT INV NO 9522 1499 101001 6 043 00 0 00

TRANSACTION & BALANCE 6 043 00 6 043 00 0 00

5600601 ##### CSF DIVERS ACCOUNT US\$

TRANSACTION & BALANCE 0 00 0 00 0 00

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

1034 HAKIM ALBERT FROM DT 01 88 TO 31 12 86 H 02878 87 01 27 PAGE 17

17C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
	***** CHARGES				
	***** CHARGES				
1001	***** INTEREST PAID - CURRENT ACCOUNT	US\$			
	6 DT AT 3% FROM 1/1/85	5035 5100001	2 920 00		2 920 00
	TRANSACTION & BALANCE		2 920 00	0 00	2 920 00
2000	***** INTEREST PAID	FS			
	TRANSACTION & BALANCE		0 00	0 00	0 00
2001	***** INTEREST PAID	US\$			
	3 15 5000 PN 8215 2/4/83				
	PN 8215 INT FR 1/1/86	90934 1502 5112123	9 093 59		9 093 59
	TRANSACTION & BALANCE	90934	9 093 59	0 00	9 093 59
3701	***** BANK CHARGES	US\$			
	1 BANK CHARGES	5008 5600001	2 39		2 39
	10 10 BANK CHARGES	4253 5600001	50 00		52 39
	TRANSACTION & BALANCE		52 39	0 00	52 39

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

H 02879 87 01 27 PAGE 12

4064 HAKIM ALBERT FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
7	***** INCOME		US\$			
760801	***** REAL GAINS/LOSSES - CIBC		US\$			
	TRANSACTION & BALANCE			0.00	0.00	0.00
761201	***** REAL GAINS/LOSSES - BEAR STEARNS		US\$			
17 12	KEYSTONE INTERNATIONAL INC. GAIN		14K11		225.94	225.94-
19 12	CITIZENS FINANCIAL GROUP INC LOSS		14CTTN	163.81		62.13-
	TRANSACTION & BALANCE			163.81	225.94	62.13-
762201	***** REAL GAINS/LOSSES - MORGAN STANLEY		US\$			
16 12	JOANSON ELECTRIC ORD (HONG KONG) GAIN		22JOHN		56,900.00-	56,900.00-
	TRANSACTION & BALANCE			0.00	56,900.00-	56,900.00-
22 12	POHJOLA (NEWS) B LOSS		22POHJ	5,035.72		5,035.72
	TRANSACTION & BALANCE			5,035.72	0.00	5,035.72

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

H-02890

87 01 27 PAGE 19

064 HAKIM ALBERT FROM DT DT 86 TO 31 12 86
LEDGER

1/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
2477	***** REAL GAINS/LOSSES - REED STENHOUSE PR\$					
2477	11 DAIRY FARM					
	GAIN	24DF		3 766 30		3 766 30-
2477	12 HONG KONG LAND					
	GAIN	24HKL		9 775 57		
2477	12 DAIRY FARM					
	GAIN	24DF		11 782 55		25 525 44-
	TRANSACTION & BALANCE			0 00	25 525 44	25 525 44-
2470	***** REAL GAINS/LOSSES - REED STENHOUSE \$AU					
2470	12 TECHNOMIN					
	LOSS	24TECH		1 359 71		1 359 71
	TRANSACTION & BALANCE			1 359 71	0 00	1 359 71
71201	***** DIVIDENDS					
	US\$					
25 11	KEYSTONE INTERNATIONAL INC. DIVIDEND	500-	8391 3600001		42 00	42 00-
	TRANSACTION & BALANCE	500-		0 00	42 00	42 00-
71212	***** DIVIDENDS					
	MFK					
	TRANSACTION & BALANCE			0 00	0 00	0 00

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

02881

87 01 27 PAGE 20

5064 HAKIM ALBERT
LEDGER

FROM 01 01 86 TO 31 12 86

A/C NAME & DESCRIPTION DOC NO CONTRA DEDIT CREDIT BALANCE

772201 ***** INTEREST EARNED ON DEPOSITS US\$

15	6	INTEREST	2496	5600001		325.37	325.37-
16	6	CALL INT	6384	5600001		65.33	590.70-
9	7	CALL INTEREST JUNE	7078	5600001		276.03	866.73-
10	7	INTEREST	3096	5600001		2 671.23	3 537.96-
31	7	CALL INTEREST	7206	5600001		348.49	3 886.45-
6	8	INTEREST	3209	5600001		2 547.94	6 434.39-
2	9	INTEREST	3337	5600001		1 232.88	
2	9	INTEREST	7357	5600001		295.89	
2	9	INTEREST	7357	5600001		123.29	8 086.45-
3	9	INTEREST	7369	5600001		88.35	8 174.80-
8	9	CALL INT	7371	5600001		378.08	8 552.88-
15	9	INTEREST	3426	5600001		2 333.72	10 886.60-
7	10	CALL INTEREST	8029	5600001		245.96	1 132.56-
14	10	CALL INTEREST	8047	5600001		1 555.55	12 688.11-
15	10	INTEREST	4105	5600001		655.46	13 343.57-
3	11	CALL INTEREST	8193	5600001		401.30	13 744.87-
10	11	INTEREST	4286	5600001		28.76	13 773.63-
12	11	CALL INTEREST	8157	5600001		1 199.16	15 972.79-

TRANSACTION & BALANCE

0.00 15 972.79 15 972.79-

CSF INVESTMENTS LTD.
HAMILTON, BERMUDE

134 HAKIM ALBERT FROM 01 01 86 TO 31 12 86 02882 37 51 27 PAGE 21

LEDGER DOC NO CONTRA DEDIT CREDIT BALANCE

10000 TRANSIT ACCOUNTS US\$

10000 TRANSIT ACCOUNT FS

TRANSACT. & BALANCE 0 00 0 00 0 00

00000 TRANSIT ACCOUNT US\$

TRANSACT. & BALANCE 0 00 0 00 0 00

GRAND TOTALS 9 741 482 47 9 741 482 47

2000 C.S.F. INV. LTD FROM 01 01 85 TO 31 12 85 PAGE 205
 LEDGER

A/C. NAME & DESCRIPTION DOC. NO CONTRA DEBIT CREDIT BALANCE

11 02883

		CASH	US\$
4064001	***** HAKIM ALBERT		
1	1 BROUGHT FORWARD		
7	1 MGT FEES 4TH QUARTER 1984	17 461.30+	16 088.69
14	2 CHQ S.T.T. INTL	150.00	16 238.69
14	2 BANK CHARGES	5 000.00	
21	2 RBT CHQ S.T.T. INTL + BK CHARGES	20.00	21 258.69
25	2 CHQ 393 STANFORD TECHN.		5 020.00
25	2 BC RE CHQ 393	8 000.00	16 238.69
25	2 RBT CHQ 393	10.00	
2	4 MGT FEES 1ST Q 85		8 010.00
6	6 TRANSFER	150.00	16 388.69
8	7 MGT FEES 2ND QUARTER 85		896.85
17	12 BAL. OF A/C PHASE I, II AND III	150.00	15 641.84
17	12 PROFIT DISTRIBUTION PHASE IV		82 031.09
17	12 PN 8218 REDEMPTION		100 800.00
		143 998.17	23 121.01-

CSF INVESTMENTS LTD.
 STAMUTON BERMUDA

FROM 01 01 85 TO 31 12 85

0284

C.S.F. INV. LTD
LEDGER

NAME & DESCRIPTION DOC. NO. CONTRA DEBIT CREDIT BALANCE

64001 HAKIM ALBERT (SUITE)
6 12 RD. CASH WITHDRAWAL CASH 8387 5606001 62 400.00 39 208.92
 TRANSACT. & BALANCE 17 461.30+ 235 966.86 196 757.94 39 208.92

64101 ***** HAKIM ALBERT LOANS US\$
 1 1 BROUGHT FORWARD 517 139.88 517 139.88
 2 PN 8218 INT FR 1/1/84 81 475.73 598 615.61
 1 5 PN 8218 INT FR 1/3/85 2385 5900101 11 547.08
 1 5 PN 8218 PART RBT 2385 5900101 X250 000.00 360 162.69
 0 6 PN 8218 INT FR 21/5 2496 5900101 1 949.37 362 112.06
 0 9 PN 8215 INT FR 30/6/85 3458 5900101 44 028.69
 0 9 PN 8218 INT FR 30/6/85 3458 5900101 4 665.79 410 806.54
 7 12 PN 8218 ADJ. INT. 17/12-31/12 4550 5900101 8 902.10 266 126.32
 7 12 PN 8218 REDEMPTION 4550 5900101 Y143 998.17
 1 12 PN 8215 INT 4TH QUARTER 85 4 504 5900101 8 902.10
 1 12 PN 8218 INT 4TH QUARTER 85 4 505 5900101 4 774.29 279 802.71
 TRANSACT. & BALANCE 674 482.93 394 680.22 279 802.71

64301 ***** HALBERT HAKIM US\$
 1 7 TEL CHARGES 91 8631001 63.75 63.75
 1 8 TEL CHARGES 92 8631001 70.00 133.75
 TRANSACT. & BALANCE 133.75 0.00 133.75

64601 ***** HAKIM ALBERT MISCEL US\$
 1 1 BROUGHT FORWARD 896.85 896.85
 6 6 TRANSFER 2447 5900601 896.85 0.00
 TRANSACT. & BALANCE 896.85 896.85 0.00

INDEPENDENT BANK
HAMILTON, BERMUDA

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
	***** CAPITAL		US\$			
00000	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS		FS			
	TRANSACT. & BALANCE			0.00	0.00	0.00
00001	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS		US\$			
9	2 TR TO BK OF THE WEST		1516 5600001	59 500.00		59 500.00
14	2 N/F SFR 133279		1350 5600001		59 500.00	0.00
1	3 TR FF 10000. - LA ROCHELLE		1564 5600001	1 265.00		1 265.00
5	3 TR. LOS GATOS (CARPETS)		1705 5600001	38 000.00		39 265.00
1	4 RBT PN 8304, STC		2052 5600001	3 294.11		42 559.11
16	5 PNT F. 7340			51.39		42 610.50
3	9 CHG 168 SAUNDERS		3450 5600001	200.00+		42 812.32
	TRANSACT. & BALANCE			102 372.32	59 500.00	42 872.32
01000	***** CAPITAL INVESTED		FS			
1	T BROUGHT FORWARD		23000+	15 777.69		17 261.30
1	1 4TH QTR P/L NET BALANCE			1 483.61		
23	2 PNT F. 7338		1438 5600300	7 927.12-	17 261.30	0.00
	TRANSACT. & BALANCE			7 927.12-	17 261.30	0.00
01001	***** CAPITAL INVESTED		US\$			
1	T BROUGHT FORWARD		493323+	634 417.51		428 284.24
5	1 MGT FEE 4TH Q 83		1004 5600001	150.00	6 133.27	428 434.24
23	2 PNT F. 7338		1438 5600001	7 927.12	17 261.30+	436 361.36
5	4 MGT FEE 1ST Q 84		2001 5600001	150.00		436 511.36

|| 02885



FROM 01 01 84 TO 31 12 84

4064 HAKIM ALBERT
LEDGER

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
01001	CAPITAL INVESTED					
19 9	PMT INV NO 713676364 CONTEC		(SUITE) H 02886	1 486.57		437 997.93
5 10	MGT FEES 3RD Q 84	3586	5600601	150.00		
5 10	MGT FEES 2ND Q 84	637	5600001	150.00		438 297.93

TRANSACT. & BALANCE 693323+ 17 261.30+ 444 431.20 6 133.27 438 297.93



4064 HAKIM ALBERT
LEDGER FROM 01 01 84 TO 31 12 84

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
	000000 ASSETS & LIABILITIES		US\$	11 02887		
0	000000 LOANS & INV. PAYABLE		US\$			
05	000000 LOANS & INVEST. PAYABLE WITH CSF		US\$			
05100	000000 LOANS PAYABLE		FS			
	TRANSACTION & BALANCE			0.00	0.00	0.00
05101	000000 LOANS PAYABLE		US\$			
1	BROUGHT FORWARD				465 287.96	465 287.96-
30	6 15 5000 PN 8215 2/4/83					
	PN 8215 INT PR 2/8/82 15.5	51872	2887 672001		51 871.92	517 139.88-
	TRANSACTION & BALANCE			0.00	517 139.88	517 139.88-
2	000000 FIXED TIME DEP. THROUGH CSF		US\$			
25601	000000 CONTINENTAL BANK BRUSSELS		US\$			
24	1 9 5000 CONTINENTAL BANK 24/4/84 8					
	FIDUCIARY DEPOSIT			30 000.00		30 000.00
24	6 9 5000 CONTINENTAL BANK 24/4/84 8					
	REDEMPTION	30000	209 5600001		30 000.00	0.00
	TRANSACTION & BALANCE			30 000.00	30 000.00	0.00

4064 HAKIM ALBERT
LEDGER

FROM 01 01 84 TO 31 12 84

BALANCE

CREDIT

DEBIT

DOC. NO CONTRA

A/C NAME & DESCRIPTION

56	***** CASH IN HAND	US\$							
5600000	***** CSF CURRENT ACCOUNT	FS							
1	1 BROUGHT FORWARD		23000-		0.00				0.00

H 02888

TRANSACTION & BALANCE 23000- 0.00 0.00

5600001	***** CSF CURRENT ACCOUNT	US\$							
1	1 BROUGHT FORWARD		28056-	1004 101001		34 600.30		150.00	34 600.30
5	1 MGT FEE 4TH Q 83								
24	1 9 5000 CONTINENTAL BANK 24/4/84 8		30000-						
	FIDUCIARY DEPOSIT			88 563115B				30 000.00	4 450.30
9	2 TR TO BK OF THE WEST			1516 100001				59 500.00	55 049.70
14	2 N/F SFR 133279			1350 100001					4 450.30
23	2 PHT F. 7338			1438 101001		17 261.30-		7 927.12	3 476.82-
1	3 TR. FF 10000 - LA ROCHELLE			1564 100001				1 265.00	
1	3 BANK CHARGES			1564 673701				10.00	4 751.82
5	3 TR. LOS GATOS (CARPETS)			1705 100001				38 000.00	42 751.82-
1	4 RBT PN 8304 STC			2052 100001				3 294.11	46 045.93-
5	4 MGT FEE 1ST Q 84			2001 101001				150.00	46 195.93-
24	4 9 5000 CONTINENTAL BANK 24/4/84 8								
	REDEMPTION			209 563115B		30 000.00			
24	4 INTEREST		30000+	209 772201		720.45			15 475.48-
16	5 PHT F. 7340			100001				51.39	15 526.87-
3	9 CHG 168 SAUNDERS			3450 100001		200.00-		261.82	15 788.69-
5	10 MGT FEES 3RD Q 84			637 101001				150.00	
5	10 MGT FEES 2ND Q 84			637 101001				150.00	16 088.69-

TRANSACTION & BALANCE 28056- 17 461.30- 124 820.75 140 909.44 16 088.69



FROM 01 01 84 TO 31 12 84

4064 HAKIM ALBERT LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
600300	***** CSF INVOICES				
1	BROUGHT FORWARD	1438 101000	17 261 30	17 261 30	17 261 30
23	2 PHT F. 7338	7 927 12+	17 261 30		0 00
	TRANSACT. & BALANCE	7 927 12+	17 261 30	17 261 30	0 00
600601	***** CSF DIVERS ACCOUNT				
1	BROUGHT FORWARD		2 383 42		2 383 42
19	9 PHT INV NO 7136/6364 CONTEC	3586 101001		1 486 57	896 85
	TRANSACT. & BALANCE		2 383 42	1 486 57	896 85
600801	***** CSF LTD BERMUDA DEPOSIT A/C				
	TRANSACT. & BALANCE		0 00	0 00	0 00

INVESTMENTS LTD. HAMILTON, BERMUDA

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
4064	HAKIM ALBERT - LEDGER					
		FROM 01 01 84. TO 31 12 84				
	***** CHARGES					
			US\$			
						4 028.00
72000	***** INTEREST PAID		FS			
	TRANSACTION & BALANCE			0.00	0.00	0.00
72000	***** INTEREST PAID		US\$			
30	6 15.5000 PN 8215 2/4/83					
	PN 8215 INT FR 2/8/82 15.5	51872+	2887 5131215	51 871.92		51 871.92
	TRANSACTION & BALANCE	51872+		51 871.92	0.00	51 871.92
73701	***** BANK CHARGES		US\$			
1	3 BANK CHARGES		1564 5600001	10.00		10.00
	TRANSACTION & BALANCE			10.00	0.00	10.00

4064 HAKIM ALBERT
LEDGER

FACH 01 01 84 TO 31 12 84

A/C. NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

***** INCOME US\$ 6,028.91

72201 ***** INTEREST EARNED ON DEPOSITS US\$
24 4 INTEREST 209 5600001 720.45

TRANSACTION & BALANCE 0.00 720.45 720.45

4064 HAKIM ALBERT
LEDGER

FROM 01 01 84 TO 31 12 84

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
	***** TRANSIT ACCOUNTS		US\$			
	000000 TRANSIT ACCOUNT		FS			
	TRANSACT. & BALANCE			0.00	0.00	0.00
	00101 ***** TRANSIT ACCOUNT		US\$			
	TRANSACT. & BALANCE			0.00	0.00	0.00
	GRAND TOTALS			790 412.21	790 412.21	0.00

li 02892

84 01 24 PAGE 1
 || 02895

FROM 01 10 83 TO 31 12 83

HAKIM ALBERT
 LEDGER

NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
TRANSIT ACCOUNT (SUITE)					
***** CAPITAL US\$					
***** CAPITAL INVESTED FS					
10 BROUGHT FORWARD	23000+		23 000.00		23 000.00
10 F.7338		5600300	17 261.30		40 261.30
12 TR FR US A/C		5600000		24 483.61	15 777.69
TRANSACT. & BALANCE			40 261.30	24 483.61	15 777.69
***** CAPITAL INVESTED US\$					
10 BROUGHT FORWARD	493323+		423 023.60		423 023.60
10 MGT FEES 3RD Q 83		4003 5600001	150.00		423 173.60
12 TR TO SFR A/C		5600001		11 243.91	434 417.51
TRANSACT. & BALANCE			434 417.51	0.00	434 417.51

HAKIM ALBERT
LEDGER

FROM 01 10 83 TO 31 12 83

BALANCE

CREDIT

DEBIT

DOC. NO CONTRA

NAME & DESCRIPTION

H 02894

US\$

US\$

US\$

FS

US\$

ASSETS & LIABILITIES

LOANS & INV. PAYABLE

LOANS & INVEST. PAYABLE WITH CSF

LOANS PAYABLE

LOANS PAYABLE

23000-

23000+

23000-

672000

5600000

23000+

23000-

TRANSACTION & BALANCE

LOANS PAYABLE

493323-

17962+

493323-

672001

5600001

MTH

672001

5600001

MTH

5600001

672001

MTH

672001

2888+

MTH

2888+

23 000.00

1 483.61

24 483.61

24 483.61

24 483.61

493 325.58

1 793.97

19 756.47

690.58

5 406.58

422.89

3 311.81

23 000.00-

0.00

0.00

493 325.58-

3 311.81

3 311.81

4064 HAKIM ALBERT LEDGER		FROM 01 10 83 TO 31 12 83		84 01 24 PAGE
A/C.	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	BALANCE
05101	LOANS PAYABLE	(SUITE)		
	PN 8227 INT FR 1/12/82	672001		364.49
31 12	PN 8227 INT 13% INT CAP. MTH			
	PN 8227 INT PMT + RBT	2490+	2 854.49	465.777
TRANSACTION & BALANCE				465.777
2	***** FIXED TIME DEP. THROUGH CSF		31 329.35	496 597.31
6	***** CASH IN HAND			
400000	***** CSF CURRENT ACCOUNT	FS		
31 12	PN 8303 INT 7.5% INT CAP			
	PN 8303 INT PMT + RBT	5131303		24 483.61
31 12	TR. FR US A/C	101000	24 483.61	0
TRANSACTION & BALANCE				24 483.61
400001	***** CSF CURRENT ACCOUNT	US\$		
1 10	BROUGHT FORWARD			2 081.44
3 10	INT 9.5% "CSF BERMUDA"	32 772201		911
5 10	MGT FEES 3RD Q 83	4003 101001		741
31 12	PN 8211 INT 18% 1/6/82 - 1/6/83			
	PN 8211 INT PMT + RBT	17962-		
31 12	PN 8225 INT 13% INT CAP. MTH			
	PN 8225 INT PMT + RBT	4716-		
31 12	PN 8226 INT 13% INT CAP. MTH			
	PN 8226 INT PMT + RBT	2888-		
11 12	PN 8227 INT 13% INT CAP. MTH			
	PN 8227 INT PMT + RBT	2490-		
11 12	INT 9.5%			
TRANSACTION & BALANCE				2 992.50
TRANSACTION & BALANCE				19 756.47
TRANSACTION & BALANCE				5 406.58
TRANSACTION & BALANCE				3 311.81
TRANSACTION & BALANCE				2 854.49
TRANSACTION & BALANCE				6 412.50

HAKIM ALBERT
LEDGER

FROM 01 10 83 TO 31 12 83

NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
00001 CSF CURRENT ACCOUNT	(SUITE)			
12 RBT	5600801	70 000.00	11 243.91	34 600.30
12 TR TO SFR A/C	101001			
TRANSACT. & BALANCE	28056-	79 405.00	44 804.70	34 600.30
000300 000000 CSF INVOICES	FS			
10 F.7338	101000		17 261.30	17 261.30-
TRANSACT. & BALANCE		0.00	17 261.30	17 261.30-
000601 000000 CSF DIVERS ACCOUNT	US\$			
10 BROUGHT FORWARD		2 383.42		2 383.42
TRANSACT. & BALANCE		2 383.42	0.00	2 383.42
000001 000000 CSF LTD BERMUDA DEPOSIT A/C	US\$			
10 BROUGHT FORWARD		70 000.00	70 000.00	70 000.00
12 RBT	5600001			0.00
TRANSACT. & BALANCE		70 000.00	70 000.00	0.00

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
6	***** CHARGES		US\$			
672000	***** INTEREST PAID		FS			
11 12	PN 8303 INT 7.5% INT CAP			1 483.61		1 487.41
	PN 8303 INT FR 11/1/83	5131303				
	TRANSACT. & BALANCE			1 483.61	0 00	1 487.41
672001	***** INTEREST PAID		US\$			
31 12	PN 8211 INT 18% 1/6/82 - 1/6/83					
	PN 8211 INT FR 1/6	5131211		1 793.97		
31 12	PN 8225 INT 13% INT CAP. MTH					
	PN 8225 INTFR 1/12/82	5131225		690.38		
31 12	PN 8226 INT 13% INT CAP. MTH					
	PN 8226 INT FR 1/12/82	5131226		422.89		
31 12	PN 8227 INT 13% INT CAP. MTH					
	PN 8227 INT FR 1/12/82	5131227		364.49		3 271
	TRANSACT. & BALANCE			3 271.73	0.00	3 271

84 01 24 PAGE 6

HAKIM ALBERT
LEDGER
FROM 01 10 83 TO 31 12 83

NAME & DESCRIPTION DOC. NO CONTRA DEBIT CREDIT BALANCE

***** INCOME US\$ II 02698

01 01 ***** INTEREST EARNED ON DEPOSITS US\$

10 INT 9.5% "CSF BERMUDA"

12 INT 9.5%

32 5600001

5600001

2 992.50

6 412.50

2 992.50

9 405.00

TRANSACTION & BALANCE

0 00

9 405.00

9 405.00

4064 HAKIM ALBERT
LEDGER

84 01 24 PAGE /

FROM 01 10 83 TO 31 12 83

A/C. NAME & DESCRIPTION DEBIT CREDIT BALANCE

DOC. NO CONTRA

9 ***** TRANSIT ACCOUNTS US\$

|| 0209

900100 ***** TRANSIT ACCOUNT FS

TRANSACT & BALANCE

0 00 0.00 ||

900101 ***** TRANSIT ACCOUNT US\$

TRANSACT & BALANCE

0 00 0.00 ||

GRAND TOTALS

711 519.14 711 519.14

NO	NAME & DESCRIPTION	DOC. NO CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
	TRANSIT ACCOUNT					
	***** CAPITAL		US			
					02900	
101000	***** CAPITAL INVESTED		FS			
1	7 PN 8303 INT 7.5% INT CAP	5131303		23 000.00		23 000.00
	BALANCE B/F					
	23000+					
	TRANSACT. & BALANCE			23 000.00	0.00	23 000.00
101001	***** CAPITAL INVESTED		US			
1	7 PN 8211 INT 18% 1/6/82 - 1/6/83					
	BALANCE B/F			17 692.50		
	17962+					
1	7 PN 8215 INT 15.5% 2/8/82 - 2/4/83					
	BALANCE B/F			175 000.00		
	175000+					
1	7 PN 8218 INT 13.5% INDEFINI TERR					
	BALANCE B/F			290 267.96		
	290267+					
1	7 PN 8225 INT 13% INT CAP. MTH					
	BALANCE B/F			4 716.20		
	4716+					
1	7 PN 8226 INT 13% INT CAP. MTH					
	BALANCE B/F			2 888.92		
	2888+					
1	7 PN 8227 INT 13% INT CAP. MTH					
	BALANCE B/F			2 490.00		
	2490+					
1	7 BALANCE B/F			1 931.44		
1	7 BALANCE B/F				2 383.47	
1	7 PN 8211 INT 18% 1/6/82 - 1/6/83				70 000.00	
	BALANCE B/F					422 873.60
	3002 5600001					423 023.60
	TRANSACT. & BALANCE			495 407.02	72 383.47	423 023.60

41154 HAKIM ALBERT
LEDGER

FROM 01 07 83 TO 30 09 83

83 10 17 PAGE 2

DOC NAME & DESCRIPTION

DOC. NO CONTRA

DEBIT

CREDIT

BALANCE

ii 02901

ROM 01 07 83 TO 30 09 83

4064 HAKIM ALDERT
LEDGER

A/C. NAME & DESCRIPTION

DOC.NO CONTRA

DEBIT

CREDIT

BALANCE

A/C.	NAME & DESCRIPTION	DOC.NO	CONTRA	DEBIT	CREDIT	BALANCE
5	ASSETS & LIABILITIES					
50	LOANS & INV. PAYABLE					
505	LOANS & INVEST. PAYABLE WITH CSF					
505100	LOANS PAYABLE					
1	PN 8303 INT 7.5% INT CAP					
	BALANCE B/F	23000-			23 000.00	23 000.00
	TRANSACT. & BALANCE	23000-		0.00	23 000.00	23 000.00
505101	LOANS PAYABLE					
1	PN 8211 INT 18% 1/6/82 - 1/6/83					
	BALANCE B/F				17 692.50	
1	PN 8215 INT 15.5% 2/8/82 - 2/4/83					
	BALANCE B/F				175 000.00	
1	PN 8218 INT 13.5% INDEFINITE TERM					
	BALANCE B/F				290 267.96	
1	PN 8225 INT 13% INT CAP. MTH					
	BALANCE B/F				4 716.20	
1	PN 8226 INT 13% INT CAP. MTH					
	BALANCE B/F				2 888.92	
1	PN 8227 INT 13% INT CAP. MTH					
	BALANCE B/F				2 490.00	
1	PN 8211 INT 18% 1/6/82 - 1/6/83					
	BALANCE B/F				270.00	493 325.58
	TRANSACT. & BALANCE	493323-		0.00	493 325.58	493 325.58

11 02902

FROM 01 07 83 TO 30 09 83

HAKIM ALBERT
LEDGER

M/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
	***** FIXED TIME DEP. THROUGH CSF		US\$			
	***** CASH IN HAND		US\$			
5000001	***** CSF CURRENT ACCOUNT		US\$			
1 7	BALANCE B/F		101001		1 931.44	1 931.44-
5 7	MGT FEES 2ND Q 83	3002	101001		150.00	2 081.44-
	TRANSACT. & BALANCE			0.00	2 081.44	2 081.44-
5000001	***** CSF DIVERS ACCOUNT		US\$			
1 7	BALANCE B/F		101001			2 383.42
	TRANSACT. & BALANCE			2 383.42		2 383.42
5000801	***** CSF LTD BERMUDA DEPOSIT A/C		US\$			
1 7	BALANCE B/F		101001			70 000.00
	TRANSACT. & BALANCE			70 000.00		70 000.00

ii 02903

4064 HAKIM ALBERT
LEDGER

FROM 01 07 83 TO 30 09 83

83 10 17 PAGE 5

A/C. NAME & DESCRIPTION

DEBIT

CREDIT BALANCE

6 ***** CHARGES

US\$

11 02904

83 10 17 PAGE 6

4004 HAKIM ALBERT
LEDGER

FROM 01 07 83 TO 30 09 83

11/C. NAME & DESCRIPTION

DEBIT CREDIT BALANCE

/ CHARGES

(SUITE)

/ 000000 INCOME

US\$

N 02905

ROM 01 07 83 TO 30 09 83

4064 HAKIM ALBERT
LEDGER

A/C.	NAME & DESCRIPTION	DOC.NO	CONTRA	DEBIT	CREDIT	BALANCE
9	INCOME		(SUITE)			
9	***** TRANSIT ACCOUNTS		US\$			
900100	***** TRANSIT ACCOUNT		FS			
	TRANSACT. & BALANCE			0.00	0.00	0.00
900101	***** TRANSIT ACCOUNT		US\$			
	TRANSACT. & BALANCE			0.00	0.00	0.00
	GRAND TOTALS			590 790.44	590 790.44	0.00
				*****	*****	*****
				*****	*****	*****

|| 02906

83 07 17 PAGE

FROM 01 04 83 TO 30 06 83

CREDIT

DEBIT

DOC NO CONTRA

DESCRIPTION

02907

US\$

SFR

18 000 00

18 000 00

5 000 00

5 000 00

23 000 00

23 000 00

390 659 69

386 659 69

150 00

150 00

30 000 00

30 000 00

5 617 61

4 227 30

20 000 00

20 000 00

10 00

4 427 30

566 68

4 427 30

20 010 00

20 010 00

15 000 00

4 327 30

10 00

4 427 30

15 010 00

4 427 30

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

TRADING ACCOUNT

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

18

FROM 01 04 83 TO 30 06 83

PROFIT PART
LCRPP

DOC NO CONTRA

DEBIT

CREDIT

02909

ASSETS & LIABILITIES

US\$

***** LOANS & IMP PAYABLE

US\$

***** L F I PAYABLE WITH CSF

UC\$

***** LOANS PAYABLE

US\$

1 4 PRODUKT LOPARD 18000- 18 000 00 18 000
 12 4 14 3303 7 5% INT CAP 5000- 5 000 00 5 000
 210 753 EXPATRADE

TOTAL 23000- 23 000 00 23 00

***** LOANS PAYABLE

US\$

1 4 PRODUKT LOPARD 457704- 457 707 97 457 70
 8 4 14 3218 13 5% INDEFINIT TLPM 30000- 30 000 00 487 10
 TO TO LOG GOTOS
 27 4 14 3218 13 5% INDEFINIT TERM 5617- 5 617 61 493 57
 TO TO COLLECT COM

TOTAL 493321- 493 325 58 493 3

***** LTD THROUGH CSF

US\$

***** CAPITAL THROUGH HOUSEHOLD

US\$

TOTAL 0 00 0 000

83 07 12 PAGE

FROM 01 04 83 TO 30 06 83

HAROLD PLUMPTRE
LIPSET

DEBIT CREDIT DOLLARS

A/C NAME & DESCRIPTION

02911

5400001 ***** LTD BERMUDA DEPOSIT A/C US\$

60 000 00

1 4 THROUGH LIGHT

10 000 00

1 4 TR TO CSF BERMUDA

5600001

70 000 00 0.00 70 000

TRANSACT & BALANCE

83 07 12 PAGE

FROM 01 04 83 TO 30 06 83

4066 HAMILBERT
LESTER
A/C COMPANY CONTRIBUTION

DEBIT CREDIT

02913

US\$

772201 ***** JUL EARNED ON FTD

US\$

TRANSACTION BALANCE

0 00 0 00

4064 HAKIM, ALBERT
LEDGER

FROM 01 04 83 TO 30 06 83

83 07 12 PAGE

A/C. NAME & DESCRIPTION DOC. NO CONTRA US\$ SFR PDS BALANCE

9 ***** OPENING / CLOSING ENTRIES US\$

900100 ***** BALANCES CARRIED FORWARD SFR

900101 ***** BALANCES CARRIED FORWARD US\$

1 & BROUGHT FORWARD 39257-

TRANSACT. & BALANCE 39257-

900102 ***** BALANCES CARRIED FORWARD PDS

TRANSACT. & BALANCE

GRAND TOTALS

0914

0 00

0 00

0 00

0 00

0 00

0.00 0.00

601 198 64 601 198 64

FROM 01 01 83 TO 31 03 83

HAKIN, ALBERT
LEDGER

DOC. NO CONTRA CREDIT BALANCE

DEBIT

A/C. NAME & DESCRIPTION

000000 CAPITAL US\$

US\$

H 02915

101000	000000 CAPITAL INVESTED	SFR		1 019.75	1 019.75-
1	1 BROUGHT FORWARD				
11	1 PN 8303 7.5% INT CAP.				
	CHG 111 EXPANTRADE	8000+	1055 511303	8 000.00	6 980.25
1	2 CHG 131 CASH EXPANTRADE		1199 5600000	5 000.00	11 980.25
16	2 PN 8303 7.5% INT CAP.				
	CHG 144 EXPANTRADE	10000+	1383 511303	10 000.00	21 980.25
21	2 WIZ TRIP PARIS		1393 5600000	493.30	22 473.55
24	3 TR FROM US DLRS A/C		1697 5600000	4 473.55	18 000.00
TRANSACTION & BALANCE				23 493.30	18 000.00

101001	000000 CAPITAL INVESTED	US\$		28 051.73+	45 000.00
1	1 BROUGHT FORWARD				
1	1 4TH QTR P/L. NET BALANCE	322686+		409 653.05	375 999.68
1	1 TR FROM STC		1183 5600001	11 346.63	376 165.93
2	1 MGT FEE 4TH Q 1982		1004 5600001	166.25	376 536.29
10	1 CHG 1602 MCHOSE/TACTRONIX		1121 5600001	370.36	378 485.42
15	2 CHG 1649 MCHOSE/TACTRONIX		1426 5600001	1 949.13	388 485.42
15	3 TR TO LOS GATOS		1753 5600001	10 000.00	390 659.69
24	3 TR TO SFR A/C		1697 5600001	2 174.27	
TRANSACTION & BALANCE				28 051.73+	390 659.69

435 659.69 45 000.00 390 659.69

HAKIM, ALBERT
LEDGER

FROM 01 01 83 TO 31 03 83

U64
N/C. NAME & DESCRIPTION

DEBIT CREDIT BALANCE

101002 ***** CAPITAL INVESTED

PDS

11 02916

0.00 0.00 0.00

TRANSACT. & BALANCE

4064 HAKIM, ALBERT FROM 01 01 83 TO 31 03 83

A/C. NAME & DESCRIPTION DOC.NO CONTRA DEBIT CREDIT BALANCE

11 02917

5	000000 ASSETS & LIABILITIES	US\$			
50	000000 LOANS & INV. PAYABLE	US\$			
505	000000 L & I PAYABLE WITH CSF	US\$			
505100	000000 LOANS PAYABLE	SFR			
11	1 PN 8303 7.5% INT CAP. CHG 111 EXPANTRADE	8000-	1055	101000	8 000.00-
16	2 PN 8303 7.5% INT CAP. CHG 144 EXPANTRADE	10000-	1383	101000	18 000.00-
	TRANSACT. & BALANCE				0.00
505101	000000 LOANS PAYABLE	US\$			
1	1 BROUGHT FORWARD	457704-			444.73-
	TRANSACT. & BALANCE				0.00
52	000000 FTD. THROUGH CSF	US\$			
525801	000000 CREDIT LYONNAIS BRUSSELS	US\$			
1	1 BROUGHT FORWARD	66500+			66 500.00
31	3 12.2500 CREDIT LYONNAIS 31/3/83 8 REDEMPTION	66500-	1787	5600001	66 500.00
	TRANSACT. & BALANCE				0.00

FROM 01 01 83 TO 31 03 83

HAKIM, ALBERT
LEDGER

DEBIT CREDIT BALANCE

DOC. NO CONTRA

A/C. NAME & DESCRIPTION

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
56	***** CASH IN HAND		US\$			
5000000	***** CSF CURRENT ACCOUNT		SFR			
1	BROUGHT FORWARD			1 019.75		1 019.75
2	CHG 131 CASH EXPANTRADE	1199	101000		5 000.00	3 980.25-
21	WIZ TRIP PARIS	1393	101000		493.30	4 473.55-
24	TR FROM US DLRS A/C	1697	101000	4 473.55		0.00
				5 493.30	5 493.30	0.00

ii 02918

TRANSACT. & BALANCE

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5000001	***** CSF CURRENT ACCOUNT		US\$			
1	BROUGHT FORWARD					
1	TR FROM STC	1183	101001		32 175.13	12 824.87
2	MGT FEE 4TH Q 1982	1004	101001	45 000.00	166.25	12 658.62
10	CHG 1602 MCHOSE/TACTRONIX	1121	101001		370.36	12 288.26
15	CHG 1649 MCHOSE/TACTRONIX	1426	101001		1 949.13	10 339.13
15	TR TO LOS GATOS	1753	101001		10 000.00	339.13
24	TR TO SFR A/C	1697	101001		2 174.27	1 835.14-
28	TR TO CSF BERMUDA	1795	5600901		60 000.00	61 835.14-
31	12.2500 CREDIT LYONNAIS 31/3/83 8					
	REDEMPTION	1787	5830908	66 500.00		8 783.24
	FTD 0908 INT	1787	772201	4 118.38		
				115 618.38	106 835.14	8 783.24

TRANSACT. & BALANCE

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5000002	***** CSF CURRENT ACCOUNT		PDS			
1	BROUGHT FORWARD					
3	FTD 0908 INT			0.00	0.00	0.00

4064 HAKIM, ALBERT
LEDGER

83 04 20 PAGE 5

FROM 01 01 83 TO 31 03 83
DOC. NO CONTRA

A/C. NAME & DESCRIPTION

DEBIT CREDIT BALANCE

5600601 000000 CSF DIVERS ACCOUNT US\$
1 1 BROUGHT FORWARD

2 383.42 2 383.42

619220 //

TRANSACT. & BALANCE

2 383.42 0.00 2 383.42

5600901 000000 CSF LTD BERMUDA DEPOSIT A/C US\$

28 3 TR TO CSF BERMUDA

1795 5600001

60 000.00 60 000.00

TRANSACT. & BALANCE

60 000.00 0.00 60 000.00

FROM 01 01 83 TO 31 03 83

HAKIM, ALBERT
LEDGER

A/C.	NAME & DESCRIPTION	DOC.NO	CONTRA	DEBIT	CREDIT	BALANCE
0	000000 CHARGES		US\$			
672000	000000 INTEREST PAID		SFR			
	TRANSACT. & BALANCE			0.00	0.00	0.00
672001	000000 INTEREST PAID		US\$			
	TRANSACT. & BALANCE			0.00	0.00	0.00

H 02920

4064	HAKIM, ALBERT LEDGER	FROM 01 01 83 TO 31 03 83	83 04 20	PAGE	7
A/C.	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
7	***** INCOME	US\$		11 02921	
772201	***** INT. EARNED ON FTD	US\$			
31	3 FTD 090B INT	1787 5600001		4 118.38	4 118.38
TRANSACT. & BALANCE			0.00	4 118.38	4 118.38

4064 HAKIM, ALBERT LEDGER		FROM 01 01 83 TO 31 03 83		83 04 20	PAGE	0
A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
9	***** OPENING / CLOSING ENTRIES		US*			
900100	***** BALANCES CARRIED FORWARD		SFR			
	TRANSACTION & BALANCE			0.00	0.00	0.00
900101	***** BALANCES CARRIED FORWARD		US*			
1	1 BROUGHT FORWARD			0.00		0.00
	TRANSACTION & BALANCE			0.00	0.00	0.00
900102	***** BALANCES CARRIED FORWARD		PDS			
	TRANSACTION & BALANCE			0.00	0.00	0.00
	GRAND TOTALS			709 148.09	709 148.09	0.00

11 02922

0.00

709 148.09

4 227 B BUTTON
LEDGER FROM 01 01 87 TO 30 06 87

A/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

H 02923

US\$

***** CAPITAL

100001 ***** CAPITAL CONTRIBUTIONS/WITHDRAWALS US\$

1 1 BROUGHT FORWARD 200 000 00 200 000 00-
2 1 TRANSFER 101001 200 000 00 0 00

TRANSACT & BALANCE

101001 ***** CAPITAL INVESTED US\$

1 1 BROUGHT FORWARD 5 739 84- 2 339 13 11 990 71
1 1 1986 P/L NET BALANCE 56 900 00- 14 329 84 211 990 71
2 1 TRANSFER 100001 200 000 00 211 469 84-
30 1 MGT FEES 4TH GAURTER 1986 5001 5600001 520 87 211 337 34-
21 4 MGT FEES 1ST QUARTER 1987 6001 5600001 132 50

TRANSACT & DALANCE

101012 ***** CAPITAL INVESTED MFK

1 1 BROUGHT FORWARD 1 061 .65- 5 035 72 0 00
1 1 1986 P/L NET BALANCE 5 035 72

TRANSACT & DALANCE

101017 ***** CAPITAL INVESTED HK\$

1 1 BROUGHT FORWARD 1 486 .31+ 1 436 73 0 00
1 1 1986 P/L NET BALANCE 1 436 73

TRANSACT & DALANCE

87 05 29 PAGE 2

FROM 01 01 87 TO 30 06 87

4227 B BUTTON
LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
101020	***** CAPITAL INVESTED		\$AU			
1	1 BROUGHT FORWARD			819.20	819.20	0.00
1	1 1986 P/L NET BALANCE					
	TRANSACT & BALANCE			819.20	819.20	0.00

H 02924

4227 B BUTTON
LEDGER FROM 01 01 87 TO 30 06 87

A/C NAME & DESCRIPTION DOC. NO CONTRA DEBIT CREDIT BALANCE
H 02925

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5	***** ASSETS & LIABILITIES		US\$			
517401	***** PRIVATE INVESTMENTS RECEIVABLE		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
526101	***** FID DEPOSIT - R N B		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
526601	***** FID DEPOSIT - CREDIT SUISSE		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
550801	***** SECURITIES - CAN IMP BK OF COMMER US\$					
1 1	BROUGHT FORWARD			211 000 00		211 000 00
8 1	SALE	211000-	8475 5600001		211 000 00	
8 1	INTEREST TO 30 03 87 AT 0 437	8475	5600001		207 70	
8 1	REVERSAL	8475	5600001	207 70		0 00
	TRANSACT & BALANCE			211 207 70	211 207 70	0 00
551401	***** SECURITIES - BEAR STEARNS		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00

4.227 B. BUTTON FROM 01 01 87 TO 30 06 87
 LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
551801	***** SECURITIES - MERRILL LYNCH		US\$			
8 1	6 0000 EURO-CD TORONTO DOMINION	210000+18001	5600001	210 000 00		210 000 00
8 4	6.0000 EURO-CD TORONTO DOMINION	210000-18002	5600001		210 000 00	
8 4	6 2500 MERRILL LYNCH 8/5/87	213150+18003	5600001	213 150 00		213 150 00
8 5	6 8750 MERRILL LYNCH 8/7/87	214262+18005	5600001	214 262 98		
8 5	6 2500 MERRILL LYNCH 8/5/87	213150-18004	5600001		213 150 00	214 262 98
	TRANSACT & BALANCE		214,262+	637 412 98	423 150 00	214 262 98
552201	***** SECURITIES - MORGAN STANLEY		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
552212	***** SECURITIES - MORGAN STANLEY		MF\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
552417	***** SECURITIES - REED STENHOUSE		HK\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
552420	***** SECURITIES - REED STENHOUSE		\$AU			
	TRANSACT & BALANCE			0 00	0 00	0 00

H 02926

FROM 01 01 87 TO 30 06 87

4227 B. BUTTON LEDGER

ii 02927

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
552701	***** SECURITIES - STRAUSS TURNBULL		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
5600001	***** CASH ACCOUNT		US\$			
1	BROUGHT FORWARD		185500-			990 71
8 1	SALE		211000+ 8475 08JCD	211 000 00		
8 1	INTEREST FM 30 1286 TO 08 01		8475 08JCD	339 58		
8 1	INTEREST TO 30 03 87 AT 0 437		8475 08JCD	207 70		
8 1	6 0000 EURO-CD TORONTO DOMINION PURCHASE		210000-18001 18JCDTO		210 000 00	
8 1	REVERSAL		8475 08JCD		207 70	
8 1	INTEREST TO 30 03 87 AT 0. 43		8475 08JCD	207 70		2 537 99
30 1	MGT FEES 4TH GAURTER 1986		5001 101001		520 87	2 017 12
8 4	6 0000 EURO-CD TORONTO DOMINION					
8 4	REDEMPTION		210000+18002 18JCDTO	210 000 00		
8 4	6 0000 EURO-CD TORONTO DOMINION INTEREST		210000+18002 18JCDTO	3 150 00		
8 4	6 2500 MERRILL LYNCH 8/5/87					
8 4	FIDUCIARY DEPOSIT		213150-18003 18J128A		213 150 00	2 017 12
21 4	MGT FEES 1ST QUARTER 1987		6001 101001		132 50	1 884 62
8 5	6 8750 MERRILL LYNCH 8/7/87					
8 5	FIDUCIARY DEPOSIT		214262-18005 18J189A		214 262 98	
8 5	6 2500 MERRILL LYNCH 8/5/87					
8 5	REDEMPTION		213150+18004 18J128A	213 150 00		
8 5	CREDIT INTEREST		213150+18004 772201	1 110 15		1 881 79
TRANSACT & BALANCE				640 155 84	638 274 05	1 881 79

4.227 B BUTTON
LEDGER

FROM 01 01 87 TO 30 06 87

A/C	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
5600012	***** CASH ACCOUNT				
	TRANSACT & BALANCE		0 00	0 00	0 00
5600017	***** CASH ACCOUNT				
	BROUGHT FORWARD		0 00		0 00
		750+	1 486.31-		
	TRANSACT & BALANCE		0 00	0 00	0 00
5600020	***** CASH ACCOUNT				
	TRANSACT & BALANCE		0 00	0 00	0 00

H 02928

FROM 01 01 87 TO 30 06 87

4227 B BUTTON
LEDGER

DEBIT CREDIT BALANCE

A/C NAME & DESCRIPTION

DOC NO CONTRA

6 ***** CHARGES US\$

673701 ***** BANK CHARGES US\$

0 00 0 00 0 00

TRANSACTION & BALANCE

4227 B. BUTTON
LEDGER

FROM 01 01 87 TO 30 06 87

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
7	***** INCOME		US\$			
760801	***** REAL GAINS/LOSSES - CIBC		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
761401	***** REAL GAINS/LOSSES - BEAR STEARNS		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
762201	***** REAL GAINS/LOSSES - MORGAN STANLEY		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
762212	***** REAL GAINS/LOSSES - MORGAN STANLEY MFK					
	TRANSACTION & BALANCE			0 00	0 00	0 00
762417	***** REAL GAINS/LOSSES - REED STENHOUSE		HK\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
762420	***** REAL GAINS/LOSSES - REED STENHOUSE		\$AU			
	TRANSACTION & BALANCE			0 00	0 00	0 00
762701	***** REAL GAINS/LOSSES - STRAUSS TURNBU		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00

i: 02930

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
71101	***** INTEREST EARNED ON BONDS	US\$			
8 1	INTEREST FM 30 1286 TO 08 01	8475 5600001		339 58	
8 1	INTEREST TO 30 03 87 AT 0. 43	8475 5600001		207 70	547 28-
8 4	6 0000 EURO-CD TORONTO DOMINION INTEREST	210000-18002 5600001		3 150 00	3 697 28-
	TRANSACT & BALANCE	210000-	0 00	3 697 28	3 697 28-
71201	***** DIVIDENDS	US\$			
	TRANSACT & BALANCE		0 00	0 00	0 00
71212	***** DIVIDENDS	MFK			
	TRANSACT & BALANCE		0 00	0 00	0 00
72201	***** INTEREST EARNED ON FTD	US\$			
8 5	CREDIT INTEREST	213150-18004 5600001		1 110 15	1 110 15-
	TRANSACT & BALANCE	213150-	0 00	1 110 15	1 110 15-
72301	***** INCOME ON INVESTMENTS	US\$			
	TRANSACT. & BALANCE		0 00	0 00	0 00

H 02931

4227 R. BUTTON
LEDGER

FROM 01 01 87 TO 30 06 87

A/C NAME & DESCRIPTION

DOC. NO CONTRA

DEBIT CREDIT BALANCE

DEBIT	CREDIT	BALANCE
1 699 060 67	1 699 060 67	0 00

GRAND TOTALS

H 02932

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

87 01 28 PAGE 1

4227 B. BUTTON FROM 01 01 86 TO 31 12 86
LEDGER

A/C. NAME & DESCRIPTION DOC. NO CONTRA DEBIT CREDIT BALANCE

9 TRANSIT ACCOUNTS (SUITE) H 02933

1 ***** CAPITAL US\$

100001 ***** CAPITAL CONTRIBUTIONS/WITHDRAWALS US\$

20 5 NEW FUNDS 6192 5600001 200 000.00 200 000.00

TRANSACTION & BALANCE 0.00 200 000.00 200 000.00

101001 ***** CAPITAL INVESTED US\$

7	7 MGT FEES 2ND QUARTER 1986	7001 5600001	164.27		164.27
18	9 US\$/HK\$ AT 7.8035	7364 5600001	1 301.73		1 466.00
24	9 AU\$/US\$ AT 6375	7378 5600001	5 795.74		7 261.74
15	10 MGT FEES 3RD QUARTER 1986	8001 5600001	502.29		7 764.03
25	11 HKF/US\$ AT 20.455	22026 5600001	42 535.72+		16 464.71
23	12 HKF/US\$ AT 4.909	8418 5600001	37 500.00-	7 639.03	
23	12 HKF/US\$ AT 7.801	8418 5600001	11 584.76-	1 486.31	
23	12 AU\$/US\$ AT 1.4981	8418 5600001	8 272.16-	5 521.76	
23	12 MGT FEES 4TH QUARTER 86	8428 5600001	521.52		2 339.13

TRANSACTION & BALANCE 5 739.84- 16 986.23 14 647.10 2 339.13

101012 ***** CAPITAL INVESTED MFK

25	11 HKF/US\$ AT 20.455	22026 5600012	8 700.68-	42 535.72	
23	12 HKF/US\$ AT 4.909	8418 5600012	7 639.03+	37 500.00	5 035.72

TRANSACTION & BALANCE 1 061.65- 37 500.00 42 535.72 5 035.72

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

87 01 28 PAGE 2

4227 B. BUTTON FROM 01 01 86 TO 31 12 86
LEDGER

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
101017	***** CAPITAL INVESTED		HK\$		H 02934	
18	9 US\$/HK\$ AT 7.8035	7364	5600017		10 158.03	10 158.03-
23	12 HKF/US\$ AT 7.801	8418	5600017	11 594.76		1 436.73
	TRANSACT. & BALANCE			11 594.76	10 158.03	1 436.73
101020	***** CAPITAL INVESTED		\$AU			
24	9 AU\$/US\$ AT .6375	7378	5600020		9 091.36	9 091.36-
23	12 AU\$/US\$ AT 1.4981	8418	5600020	8 272.16		819.20-
	TRANSACT. & BALANCE			8 272.16	9 091.36	819.20-

CSF INVESTMENTS LTD
 HAMILTON, BERMUDDA
 87 01 28 PAGE 3

4227 B BUTTON FROM 01 01 86 TO 31 12 86
 LEDGER

A/C. NAME & DESCRIPTION DOC.NO CONTRA DEBIT CREDIT BALANCE

5 ***** ASSETS & LIABILITIES US\$ H 02935

517401	***** PRIVATE INVESTMENTS RECEIVABLE	US\$			
5 9	7 0000 COSFIN BU INVESTMENT	50000+	3519 5600001	50 000.00	50 000.00
11 12	7 0000 COSFIN BU REDEMPTION	50000-	4436 5600001	50 000.00	0.00
	TRANSACT. & BALANCE			50 000.00	50 000.00

526101	***** FID. DEPOSIT - R.N.B.	US\$			
18 6	5.2500 RNB NEW YORK CALL ON CALL	80000+	6446 5600001	80 000.00	80 000.00
1 7	5.2500 RNB NEW YORK CALL OFF CALL	80000-	7175 5600001	80 000.00	0.00
7 7	5.2500 RNB NEW YORK CALL ON CALL	80000+	7175 5600001	80 000.00	80 000.00
18 8	6.0000 R.N.B. 02/09/86 FIDUCIARY DEPOSIT	80000+	7356 5600001	80 000.00	160 000.00
21 8	5.2500 RNB NEW YORK CALL OFF CALL	80000-	7353 5600001	80 000.00	80 000.00
28 8	5.2500 RNB NEW YORK CALL ON CALL	80000+	7353 5600001	80 000.00	160 000.00
29 8	5.2500 RNB NEW YORK CALL OFF CALL	80000-	7353 5600001	80 000.00	80 000.00
29 8	5.3750 R.N.B. 03/09/86 FIDUCIARY DEPOSIT	80000+	7358 5600001	80 000.00	160 000.00
2 9	6.0000 R.N.B. 02/09/86 REDEMPTION	80000-	7357 5600001	80 000.00	80 000.00
3 9	5.3750 R.N.B. 03/09/86 REDEMPTION	80000-	7369 5600001	80 000.00	0.00
5 9	6.3125 R.N.B. 20/10/86				

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA
87 01 28 PAGE 4

4227 B. BUTTON FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
526101	FID. DEPOSIT - R.N.B.	20000+	8018 5600001	20 000 00	02936	20 000.00
12 9	FIDUCIARY DEPOSIT	20000+	8018 5600001			
5	2500 RNB NEW YORK CALL	10000+	7438 5600001	10 000.00		30 000.00
20 10	ON CALL					
6.3125	R.N.B. 20/10/86	20000-	8040 5600001	20 000.00		
20 10	REDEMPTION					
R.N.B. 20.11.86		20000+	8041 5600001	20 000.00		30 000.00
10 11	FIDUCIARY DEPOSIT					
5.2500	RNB NEW YORK CALL	10000-	8199 5600001	10 000.00		20 000.00
20 11	OFF CALL					
R.N.B. 20.11.86		20000-	8174 5600001	20 000.00		0.00
20 11	REDEMPTION					

TRANSACTION & BALANCE				450 000.00	450 000.00	0.00

526601	***** FID. DEPOSIT - CREDIT SUISSE					US\$
9 6	6.1250 CALL CREDIT SUISSE	200000+	6290 5600001	200 000.00		200 000.00
16 6	ON CALL					
6.1250	CALL CREDIT SUISSE	200000-	6320 5600001	200 000.00		0.00
20 6	OFF CALL					
6.1250	CALL CREDIT SUISSE	134000+	6361 5600001	134 000.00		134 000.00
24 6	ON CALL					
6.1250	CALL CREDIT SUISSE	100000-	6383 5600001	100 000.00		34 000.00
24 7	OFF CALL					
6.1250	CALL CREDIT SUISSE	34000-	7107 5600001	34 000.00		0.00
24 7	OFF CALL					

TRANSACTION & BALANCE				334 000.00	334 000.00	0.00

CSF INVESTMENTS LTD.
 HAMILTON, ONTARIO
 87 01 28 PAGE 5

B. BUTTON
 LEDGER
 FROM 01 01 86 TO 31 12 86 H 02937

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
550801	***** SECURITIES - CAN. IMP. BK OF COMMER US\$					
24 7	7 7500 PRUDENTIAL FUNDING CO.					
	PURCHASE	34000+	8005 5600001	33 787.50		33 787.50
17 12	7 7500 PRUDENTIAL FUNDING CO.					
	SALE	34000-	8325 5600001		34 807.50	
17 12	7 7500 PRUDENTIAL FUNDING CO.					
	GAIN		760801	1 020.00		0.00
30 12	6 4375 CIBC CERTIFICATES DEPOSIT					
	PURCHASE	211000+	8475 5600001	211 000.00		211 000.00
	TRANSACT. & BALANCE	211000+		245 807.50	34 807.50	211 000.00
551401	***** SECURITIES - BEAR STEARNS					
	US\$					
24 7	BATTLE MOUNTAIN GOLD CO.					
	PURCHASE	500+14080	5600001	6 000.00		6 000.00
9 9	BATTLE MOUNTAIN GOLD CO.					
	SALE	250-14083	5600001		4 650.00	
9 9	BATTLE MOUNTAIN GOLD CO.					
	GAIN		761401	1 650.00		3 000.00
24 9	BATTLE MOUNTAIN GOLD CO.					
	SALE	50-14092	5600001		968.75	
24 9	BATTLE MOUNTAIN GOLD CO.					
	GAIN		761401	368.75		2 400.00
25 9	BATTLE MOUNTAIN GOLD CO.					
	SALE	200-14088	5600001		3 875.00	
25 9	BATTLE MOUNTAIN GOLD CO.					
	GAIN		761401	1 475.00		0.00
12 11	CITIZENS FINANCIAL GROUP INC					
	PURCHASE	500+14100	5600001	18 919.01		18 919.01
17 12	CITIZENS FINANCIAL GROUP INC					
	SALE	500-14101	5600001		18 881.35	
17 12	CITIZENS FINANCIAL GROUP INC					
	LOSS		761401		37.66	0.00

CSF INVESTMENTS LTD.
 HAMILTON, BERBUDA
 87 01 28 PAGE 6

4227 B BUTTON LEDGER		FROM 01 01 86 TO 31 12 86				
A/C	NAME & DESCRIPTION	DOC. NO CONTRA	H 02938	DEBIT	CREDIT	BALANCE
551401	SECURITIES - BEAR STEARNS	(SUITE)				
	TRANSACTION & BALANCE			28 412.76	28 412.76	0.00
551801	SECURITIES - MERRILL LYNCH	US\$				
	TRANSACTION & BALANCE			0.00	0.00	0.00
552201	SECURITIES - MORGAN STANLEY	US\$				
16 5	JOHNSON ELECTRIC ORD. (HONG KONG) PURCHASE	10000*22020 5600001		6 100.00		6 100.00
16 12	JOHNSON ELECTRIC ORD. (HONG KONG) SALE	10000-22051 5600001			7 301.89	
16 12	JOHNSON ELECTRIC ORD. (HONG KONG) GAIN	762201 56 900.00+		1 201.89		0.00
	TRANSACTION & BALANCE			7 301.89	7 301.89	0.00
552212	SECURITIES - MORGAN STANLEY	MF\$				
25 11	POHJOLA (NEWS) B PURCHASE	500*22026 5600012		42 535.72		42 535.72
22 12	POHJOLA (NEWS) B SALE	500-22030 5600012			37 500.00	
22 12	POHJOLA (NEWS) B LOSS	762212		5 035.72		0.00
	TRANSACTION & BALANCE			42 535.72	42 535.72	0.00

CSF INVESTMENTS LTD.
INCORPORATED IN HONG KONG
 87 01 28 PAGE 7

4227 B. BUTTON
 LEDGER FROM 01 01 86 TO 31 12 1986 02939

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
552417	000000 SECURITIES - REED STENHOUSE		HK\$			
12	9 HONG KONG LAND PURCHASE	1500+24002	5600017	10 158.03		10 158.03
16	10 DAIRY FARM RCVD FREE 1 X 2 H.K. LAND	750+24004		1 158.03		
16	10 HONG KONG LAND RCVD FREE 1 X 2 H.K. LAND	24004	824DF		1 158.03	10 158.03
4	11 DAIRY FARM SALE	750-24005	5600017		1 860.48	
4	11 DAIRY FARM GAIN		762417	702.45		
4	11 HONG KONG LAND PURCHASE	286+24006	5600017	1 856.92		10 856.92
17	12 HONG KONG LAND SALE	1786-24008	5600017		11 591.20	
17	12 HONG KONG LAND GAIN		762417	734.28		0.00
	TRANSACTION & BALANCE			14 609.71	14 609.71	0.00
552420	000000 SECURITIES - REED STENHOUSE		\$AU			
23	9 TECHNOMIN PURCHASE	20000+24003	5600020	9 091.36		9 091.36
23	12 TECHNOMIN SALE	20000-24009	5600020		8 272.16	
23	12 TECHNOMIN LOSS		762420	819.20		0.00
	TRANSACTION & BALANCE			9 091.36	9 091.36	0.00

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

87 01 28 PAGE 8

FROM 01 01 86 TO 31 12 86

4227 B. BUTTON
LEDGER

A/C. NAME & DESCRIPTION DOC. NO CONTRA DEBIT CREDIT BALANCE

H 02940

A/C. NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
552701 ***** SECURITIES - STRAUSS TURNBULL US\$					
16 6 12 8750 TEXACO CAPITAL INC					
PURCHASE	25000+27056	5600001	25 750.00		
16 6 14 7500 UNION CARBIDE					
PURCHASE	25000+27059	5600001	25 875.00		51 625.00
1 7 8 1250 B.O.C. GROUP PLC					
PURCHASE	25000+27064	5600001	23 062.50		74 687.50
1 9 12 8750 TEXACO CAPITAL INC					
AMORT. BDS PREM.	7443	#27JTEXA		375.00	74 312.50
15 12 14 7500 UNION CARBIDE					
SALE	25000-	8356 5600001		25 750.00	
15 12 14 7500 UNION CARBIDE					
LOSS		762701		125.00	48 437.50
19 12 12 8750 TEXACO CAPITAL INC					
SALE	25000-27083	5600001		25 375.00	
19 12 8 1250 B.O.C. GROUP PLC					
SALE	25000-27090	5600001		23 937.50	
19 12 8 1250 B.O.C. GROUP PLC					
GAIN		762701	875.00		0.00

TRANSACT. & BALANCE 75 562.50 75 562.50 0.00

5600001 ***** CASH ACCOUNT US\$

16 5 JOHNSON ELECTRIC ORD. (HONG KONG)					
PURCHASE	10000-22020	22JOHN		6 100.00	6 100.00
20 5 NEW FUNDS					
9 6 6 1250 CALL CREDIT SUISSE		8192 100001	200 000.00		193 900.00
ON CALL	200000-	6290 661000K		200 000.00	6 100.00-
16 6 6 1250 CALL CREDIT SUISSE					
OFF CALL	200000+	6320 661000K	200 000.00		
16 6 12 8750 TEXACO CAPITAL INC					
PURCHASE	25000-	27056 27JTEXA		25 750.00	
16 6 12 8750 TEXACO CAPITAL INC					

CSF INVESTMENTS LTD
 11000 11000 11000 11000
 87 01 28 PAGE 9

4227 B. BUTTON FROM 01 01 86 TO 31 12 86
 LEDGER

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT			02941			
	ACCROED INT	25000-	27056	27JTEXA		2 548.18	
16 6	14.7500 UNION CARBIDE						
	PURCHASE	25000-	27059	27JUNCA		25 875.00	
16 6	14.7500 UNION CARBIDE						
	ACCROED INT	25000-	27059	27JUNCA		460.94	
16 6	CALL INT		6386	772201	233.33		139 499.21
18 6	5.2500 ANB NEW YORK CALL						
	ON CALL	80000-	6446	61J1800		80 000.00	59 499.21
20 6	6.1250 CALL CREDIT SUISSE						
	ON CALL	134000-	6361	66J000K		134 000.00	74 500.79-
24 6	6.1250 CALL CREDIT SUISSE						
	OFF CALL	100000+	6383	66J000K	100 000.00		
24 6	CALL INT		6414	772201	67.00		
24 6	CALL INT		6414	772201	22.33		25 588.54
1 7	8.1250 B.O.C. GROUP PLC						
	PURCHASE	25000-	27064	27JB0C		23 062.50	
1 7	8.1250 B.O.C. GROUP PLC						
	ACCROED INT	25000-	27064	27JB0C		265.19	
1 7	5.2500 ANB NEW YORK CALL						
	OFF CALL	80000+	7175	61J1600	80 000.00		82 260.85
7 7	5.2500 ANB NEW YORK CALL						
	ON CALL	80000-	7175	61J1600		80 000.00	
7 7	MGT FEES 2ND QUARTER 1986		7001	101001	164.27		2 096.58
9 7	CALL INTEREST JUNE		7078	772201	185.20		2 281.78
16 7	CALL INTEREST		7084	772201	124.67		2 406.45
17 7	CALL INTEREST		7092	772201	5.31		2 411.76
22 7	CALL INTEREST		7118	772201	23.44		2 435.20
24 7	7.7500 PRUDENTIAL FUNDING CO.						
	PURCHASE	34000-	8005	08JPRU	33 787.50		
24 7	7.7500 PRUDENTIAL FUNDING CO.						
	ACCROED INTEREST	34000-	8005	08JPRU		14.63	
24 7	6.1250 CALL CREDIT SUISSE						
	OFF CALL	34000+	7107	66J000K	34 000.00		
24 7	CALL INTEREST		7132	772201	10.62		
24 7	BATTLE MOUNTAIN GOLD CO						
	PURCHASE	500-	14080	14BMGC	6 000.00		3 356.31

CSF INVESTMENTS LTD.
 HAMILTON, BERMUDA

87 01 28 PAGE 10

4227 B. BUTTON FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	(SUITE)	H	DEBIT	CREDIT	BALANCE
600001	CASH ACCOUNT							
31	7 CALL INTEREST	7206	772201		02942	328.77		3 027.54-
18	6 0000 R.N.B. 02/09/86							
	FIDUCIARY DEPOSIT	80000-	7356 617245A				80 000.00	83 027.54-
21	8 5.2500 RNB NEW YORK CALL	80000+	7353 6173600			80 000.00		3 027.54-
	OFF CALL							
28	8 5.2500 RNB NEW YORK CALL	80000-	7353 6173600				80 000.00	83 027.54-
	ON CALL							
29	8 5.2500 RNB NEW YORK CALL	80000+	7353 6173600			80 000.00		
	OFF CALL							
29	8 5.3750 R.N.B. 03/09/86							
	FIDUCIARY DEPOSIT	80000-	7358 617246A				80 000.00	83 027.54-
1	9 12 8750 TEXACO CAPITAL INC	25000+	7443 277JEXA			3 218.75		79 808.79-
	CREDIT INTEREST							
2	9 6.0000 R.N.B. 02/09/86	80000+	7357 617245A			80 000.00		
	REDEMPTION							
2	9 INTEREST		7357 772201			197.26		388.47
3	9 5.3750 R.N.B. 03/09/86	80000+	7369 617246A			80 000.00		
	REDEMPTION							
3	9 INTEREST		7369 772201			58.90		80 447.37
5	9 7.0000 COSFIN BV	50000-	3519 747C055				50 000.00	
	INVESTMENT							
5	9 6.3125 R.N.B. 20/10/86	20000-	8018 617293A				20 000.00	10 447.37
	FIDUCIARY DEPOSIT							
8	9 CALL INT.		7371 772201			252.05		10 699.42
9	9 BATTLE MOUNTAIN GOLD CO.							
	SALE	250+14083	14BMGC			4 650.00		15 349.42
12	9 5.2500 RNB NEW YORK CALL							
	ON CALL	10000-	7438 6173600				10 000.00	5 349.42
18	9 US\$/HK\$ AT 7.8035		7364 101001				1 301.73	4 047.69
19	9 BATTLE MOUNTAIN GOLD CO.							
	DIVIDEND	500+	7435 14BMGC			8.75		4 056.44
24	9 AUS/US\$ AT .6375		7378 107001				5 793.74	
24	9 BATTLE MOUNTAIN GOLD CO.							
	SALE	50+14092	14BMGC			968.75		770.55-
25	9 BATTLE MOUNTAIN GOLD CO.							
	SALE	200	14088 14BMGC			3 875.00		3 104.45

CSF INVESTMENTS LTD.

MANAGEMENT INFORMATION

87 01 28 PAGE 11

4227 B. BUTTON FROM 01 01 86 TO 31 12 86
LEDGER

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA		02943	DEBIT	CREDIT	BALANCE
5800001	CASH ACCOUNT				(SUITE)			
7 10	CALL INTEREST	8029	772201			25.89		3 130.34
15 10	MGT FEES 3RD QUARTER 1986	8001	101001				502.29	2 628.05
20 10	6.3125 R.N.B. 20/10/86							
	REDEMPTION	20000+	8040 61J293A			20 000.00		
20 10	INTEREST	8040	772201			155.65		
20 10	R.N.B. 20.11.86							
	FIDUCIARY DEPOSIT	20000-	8041 61J324B				20 000.00	2 783.70
3 11	CALL INTEREST	8193	772201			44.59		2 828.29
7 11	INTEREST COS5 5/9-31/10/86	4203	772301			536.99		3 365.28
10 11	5.2500 RNB NEW YORK CALL							
	OFF CALL	10000+	8199 61J3600			10 000.00		13 365.28
12 11	CITIZENS FINANCIAL GROUP INC							
	PURCHASE	500-	14100 14C1TN				18 919.01	5 553.73-
20 11	R.N.B. 20.11.86							
	REDEMPTION	20000+	8174 61J324B			20 000.00		
20 11	INTEREST	8174	772201			97.67		14 543.94
25 11	MGT FUS\$ AT 20.455	22026	101001				8 700.68	5 843.26
11 12	7.0000 COSFIN BU					42 535.72-		
	REDEMPTION	50000+	4436 74JC055			50 000.00		
11 12	JCO55 INT FROM 1/11/86					393.15		56 236.41
15 12	14.7500 UNION CARBIDE							
	SALE	25000+	8356 27JUNCA			25 750.00		
15 12	14.7500 UNION CARBIDE							
	CREDIT INTEREST	25000+	8356 27JUNCA			2 335.42		84 321.83
16 12	JOHNSON ELECTRIC ORD (HONG KONG)							
	SALE	10000+22051	22JOHN			56 900.00+	7 301.89	91 623.72
17 12	7.7500 PRUDENTIAL FUNDING CO.							
	SALE	34000+	8325 08JPRU			34 807.50		
17 12	7.7500 PRUDENTIAL FUNDING CO.							
	CREDIT INTEREST	34000+	8325 08JPRU			1 061.32		
17 12	CITIZENS FINANCIAL GROUP INC							
	SALE	500+14101	14C1TN			18 881.35		146 373.89
19 12	12.8750 TEXACO CAPITAL INC							
	SALE	25000+27083	27JTTEXA			25 375.00		
19 12	12.8750 TEXACO CAPITAL INC							
	CREDIT INTEREST	25000+27083	27JTTEXA			965.63		

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA
87 01 28 PAGE 12

4227 B. BUTTON FROM 01 01 86 TO 31 12 86 H 02944
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
600001	CASH ACCOUNT		(SUITE)			
19 12	8 1250 B.O.C. GROUP PLC SALE	25000+27090	273B0C	23 937.50		
19 12	8 1250 B.O.C. GROUP PLC CREDIT INTEREST	25000+27090	273B0C	1 213.11		197 865.13
23 12	MKF/JUS\$ AT 4.909	8418	101001	7 639.03		
23 12	MKF/JUS\$ AT 7.801	8418	101001	1 486.31		
23 12	AUS/JUS\$ AT 1.4981	8418	101001	8 272.16+		
30 12	MGT FEES 4TH QUARTER 86	8428	101001		521.52	211 990.71
30 12	6.4375 CIBC CERTIFICATES DEPOSIT PURCHASE	211000-	8475 083CD		211 000.00	990.71

	TRANSACTION & BALANCE	185500-		62 639.84+	1 204 769.18	990.71

600012	***** CASH ACCOUNT					
25 11	MKF/JUS\$ AT 20.455	22026	101012	8 700.68+	42 535.72	
25 11	POHJOLA (NEWS) B PURCHASE	500-22026	22POHJ		42 535.72	0.00
22 12	POHJOLA (NEWS) B SALE	500+22030	22POHJ	37 500.00		37 500.00
23 12	MKF/JUS\$ AT 4.909	8418	101012	7 639.03-	37 500.00	0.00

	TRANSACTION & BALANCE			1 061.65+	80 035.72	0.00

600017	***** CASH ACCOUNT					
12 9	HONG KONG LAND PURCHASE	1500-24002	24HKL		10 158.03	10 158.03-
18 9	US\$/HK\$ AT 7.8035	7364	101017	10 158.03		0.00
4 11	DAIRY FARM SALE	750+24005	24DF	1 860.48		
4 11	HONG KONG LAND PURCHASE	286-24006	24HKL		1 856.92	3.56
17 12	HONG KONG LAND					

CSF INVESTMENTS LTD.

ACCOUNT FOR THE MONTH OF 87 01 28 PAGE 13

FROM 01 01 86 TO 31 12 86 02945

4227 B. BUTTON
LEDGER

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5600017	CASH ACCOUNT					
	SALE	1786+24008	24HKL (SURTE)	11 591.20		11 594.76
23 12	HKF7US\$ AT 7.801	8418	101017	1 486.31-	11 594.76	0.00
	TRANSACT. & BALANCE	750+		1 486.31-	23 609.71	0.00
5600020	***** CASH ACCOUNT					
23 9	TECHNOMIN					
	PURCHASE	20000-24003	24TECH		9 091.36	9 091.36-
24 9	AU\$7US\$ AT .6375	7378	101020	5 795.74+	9 091.36	0.00
23 12	TECHNOMIN					
	SALE	20000+24009	24TECH		8 272.16	
23 12	AU\$7US\$ AT 1.4981	8418	101020	5 521.76-	8 272.16	0.00
	TRANSACT. & BALANCE				17 363.52	0.00

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

87 01 28 PAGE 16

H 02948

6227 B. BUTTON FROM 01 01 86 TO 31 12 86
LEDGER

V/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
62212	***** REAL GAINS/LOSSES - MORGAN STANLEY MFK					
2	12 POHJOLA (NEWS) B LOSS	22POHJ		5 035.72		5 035.72
	TRANSACT. & BALANCE			5 035.72	0 00	5 035.72
62417	***** REAL GAINS/LOSSES - REED STENHOUSE HK\$					
4	11 DAIRY FARM GAIN	24DF			702.45	702.45-
17	12 HONG KONG LAND GAIN	24HKL			734.28	1 436.73-
	TRANSACT. & BALANCE			0.00	1 436.73	1 436.73-
62420	***** REAL GAINS/LOSSES - REED STENHOUSE \$AU					
23	12 TECHNOMIN LOSS	24TECH		819.20		819.20
	TRANSACT. & BALANCE			819.20	0 00	819.20
62701	***** REAL GAINS/LOSSES - STRAUSS TURNBU US\$					
15	12 14.7500 UNION CARBIDE LOSS	27JUNCA		125.00		125.00
19	12 8.1250 B.O.C. GROUP PLC GAIN	27J50C			875.00	750.00-
	TRANSACT. & BALANCE			125.00	875.00	750.00-

4227 B. BUTTON FROM 01 01 86 TO 31 12 86 02949
 LEDGER

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
771101	***** INTEREST EARNED ON BONDS		US\$			
16 6	12.8750 TEXACO CAPITAL INC	25000	27056 5600001	2 548.18		
	ACCRUED INT					
16 6	14.7500 UNION CARBIDE			460.94		3 009.12
	ACCRUED INT					
1 7	8.1250 B.O.C. GROUP PLC	25000	27059 5600001	265.19		3 274.31
	ACCRUED INT					
24 7	7.7500 PRUDENTIAL FUNDING CO.			14.63		3 288.94
	ACCRUED INTEREST					
1 9	12.8750 TEXACO CAPITAL INC	34000	8005 5600001	375.00		
	AMORT. BBS PREM		7443 0			
1 9	12.8750 TEXACO CAPITAL INC				3 218.75	445.19
	CREDIT INTEREST					
15 12	14.7500 UNION CARBIDE	25000	8356 5600001	2 335.42		1 890.23
	CREDIT INTEREST					
17 12	7.7500 PRUDENTIAL FUNDING CO.				1 061.32	2 951.55
	CREDIT INTEREST					
19 12	12.8750 TEXACO CAPITAL INC	25000	27083 5600001	965.63		
	CREDIT INTEREST					
19 12	8.1250 B.O.C. GROUP PLC	25000	27090 5600001		1 213.11	5 130.29
	CREDIT INTEREST					
	TRANSACTION & BALANCE	25000		3 663.94	8 794.23	5 130.29
771201	***** DIVIDENDS		US\$			
19 9	BATTLE MOUNTAIN GOLD CO.	500	7435 5600001		8.75	8.75
	DIVIDEND					
	TRANSACTION & BALANCE	500		0.00	8.75	8.75

CSF INVESTMENTS LTD.
HAMILTON, BERMUUDA

87 01 28 PAGE 18

4227 B. BUTTON FROM 01 01 86 TO 31 12 86
LEDGER

A/C. NAME & DESCRIPTION DOC. NO CONTRA DEBIT CREDIT BALANCE

71212 ***** DIVIDENDS MFK
TRANSACTION & BALANCE H 02950 0.00 0.00 0.00

72201 ***** INTEREST EARNED ON FTD	US\$			
16 6 CALL INT.	6384	5600001	233.33	233.33-
24 6 CALL INT.	6414	5600001	67.00	
24 6 CALL INT.	6414	5600001	22.33	322.66-
9 7 CALL INTEREST JUNE	7078	5600001	185.20	507.86-
16 7 CALL INTEREST	7084	5600001	124.87	632.53-
17 7 CALL INTEREST	7092	5600001	5.31	637.84-
22 7 CALL INTEREST	7118	5600001	23.44	661.28-
24 7 CALL INTEREST	7132	5600001	10.62	671.90-
31 7 CALL INTEREST	7206	5600001	328.77	1 000.67-
2 9 INTEREST	7357	5600001	197.26	1 197.93-
3 9 INTEREST	7369	5600001	58.90	1 256.83-
8 9 CALL INT.	7371	5600001	232.05	1 508.88-
7 10 CALL INTEREST	8029	5600001	25.89	1 534.77-
20 10 INTEREST	8040	5600001	155.65	1 690.42-
3 11 CALL INTEREST	8193	5600001	44.59	1 735.01-
20 11 INTEREST	8174	5600001	97.67	1 832.68-
TRANSACTION & BALANCE			0.00	1 832.68-

72301 ***** INCOME ON INVESTMENTS	US\$			
7 11 INTEREST COS5 579-317/10786	4203	5600001	536.99	536.99-
11 12 JCOS5 INT FROM 1711786	4436	5600001	393.15	930.14-
TRANSACTION & BALANCE			0.00	930.14-

4227 B. BUTTON
LEDGER

FROM 01 01 86 TO 31 12 86

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
	GRAND TOTALS			2 668 124.95	2 668 124.95	0.00

|| 02951

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
	***** CAPITAL		US\$			
00001	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS		US\$			
1	BROUGHT FORWARD			59 123 78		59 123 78-
2	TRANSFER	101001				0 00
				4.6 473 65+		
	***** CAPITAL INVESTED		US\$			
101001	***** CAPITAL INVESTED		US\$			
1	BROUGHT FORWARD			59 123 78		59 123 78-
1	1986 P/L NET BALANCE					0 00
2	TRANSFER					
30	1 MGT FEES 4TH GAURTER 1986			648 33		131 013 47-
21	4 MGT FEES 1ST QUARTER 1987			118 79		190 137 25-
				4.6 473 65+		189 488 92-
	***** CAPITAL INVESTED		US\$			
101017	***** CAPITAL INVESTED		HK\$			
1	BROUGHT FORWARD			767 12		189 370 13-
1	1986 P/L NET BALANCE					
				1.63 089 01-		
	***** CAPITAL INVESTED		HK\$			
1	BROUGHT FORWARD			27 648 51		27 648 51
1	1986 P/L NET BALANCE					0 00
				20 906 16+		
	***** CAPITAL INVESTED		HK\$			
1	BROUGHT FORWARD			27 648 51		27 648 51
1	1986 P/L NET BALANCE					0 00
				20 906 16+		
	***** CAPITAL INVESTED		HK\$			
1	BROUGHT FORWARD			27 648 51		27 648 51
1	1986 P/L NET BALANCE					0 00
				20 906 16+		

H 02952

4.202 SCITECH TRADING GROUP INC
LEDGER FROM 01 01 87 TO 30 06 87

A/C	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
	***** ASSETS & LIABILITIES	US\$			
	***** FID DEPOSIT - CREDIT LYONNAIS	US\$			
25801	TRANSACTION & BALANCE		0 00	0 00	0 00
26101	***** FID DEPOSIT - RNB	US\$			
	TRANSACTION & BALANCE		0 00	0 00	0 00
26601	***** FID DEPOSIT - CREDIT SUISSE	US\$			
	TRANSACTION & BALANCE		0 00	0 00	0 00
50801	***** SECURITIES - CAN IMP BK OF COMMER US\$				
1 1	BROUGHT FORWARD	190000+	190 000 00		190 000 00
8 1	SALE	190000- 8475 5600001		190 000 00	
8 1	INTEREST TO 30 03 87 AT 0 437	8475 5600001		187 03	
8 1	REVERSAL	8475 5600001	187 03		0 00
	TRANSACTION & BALANCE		190 187 03	190 187 03	0 00
51401	***** SECURITIES - BEAR STEARNS	US\$			
	TRANSACTION & BALANCE		0 00	0 00	0 00

|| 02953

190 187 03 190 187 03

4202 SCITECH TRADING GROUP INC FROM 01 01 87 TO 30 06 87
 LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
51801	***** SECURITIES - MERRILL LYNCH		US\$			
8 1	6 0000 EURO-CD TORONTO DOMINION PURCHASE	190000+18001	5600001	190 000 00		190 000 00
8 4	6 0000 EURO-CD TORONTO DOMINION REDEMPTION	190000-18002	5600001		190 000 00	
8 4	6 2500 MERRILL LYNCH 8/5/87	192850+18003	5600001	192 850 00		192 850 00
8 5	6 8750 MERRILL LYNCH 8/7/87	193854+18005	5600001	193 854 00		193 854 00
8 5	6 2500 MERRILL LYNCH 8/5/87 REDEMPTION	192850-18004	5600001		192 850 00	193 854 00
	TRANSACT & BALANCE	193854+		576 704 00	382 850 00	193 854 00
52417	***** SECURITIES - REED STENHOUSE		HK\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
52701	***** SECURITIES - STRAUSS TURNBULL		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
600001	***** CASH ACCOUNT		US\$			
1 1	BROUGHT FORWARD	114799-		137 25		137 25
8 1	SALE	190000+	8475 08JCD	190 000 00		
8 1	INTEREST FM 30 1286 TO 08 01		8475 08JCD	305 78		
8 1	INTEREST TO 30 03 87 AT 0 437		8475 08JCD	187 03		
8 1	6 0000 EURO-CD TORONTO DOMINION PURCHASE	190000-18001	18JCDTO		190 000 00	
8 1						137 25

ii 02954

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
.600001	CASH ACCOUNT REVERSAL	8475 081CD (SUITE)		187.03	
8 1	INTEREST TO 30 03 87 AT 0. 43	8475 081CD	187.03		630.06
30 1	MGT FEES 4TH QUARTER 1986	5001 101001		648.33	18.27-
8 4	6.0000 EURO-CD TORONTO DOMINION REDEMPTION	190000+18002 181CDTO	190 000 00		
8 4	6.0000 EURO-CD TORONTO DOMINION INTEREST	190000+18002 181CDTO	2 850 00		
8 4	6.2500 MERRILL LYNCH 8/5/87 FIDUCIARY DEPOSIT	192850-18003 181128A		192 850 00	18.27-
21 4	MGT FEES 1ST QUARTER 1987	6001 101001		118.79	137.06-
8 5	6.8750 MERRILL LYNCH 8/7/87 FIDUCIARY DEPOSIT	193854-18005 181189A		193 854 00	
8 5	6.2500 MERRILL LYNCH 8/5/87 REDEMPTION	192850+18004 181128A	192 850 00		
8 5	CREDIT INTEREST	192850+18004 772201	1 004.42		136.64-
TRANSACT & BALANCE			577 521 51	577 658 15	136.64-

HK\$

.600017 ***** CASH ACCOUNT

1 1	BROUGHT FORWARD	10000+	0 00		0 00
TRANSACT & BALANCE			20 906 16-	20 906 16-	0 00

FROM 01 01 87 TO 30 06 87

4.202 SCITECH TRADING GROUP INC
LEDGER

DEBIT CREDIT BALANCE

A/C NAME & DESCRIPTION

|| 02956

US\$

***** CHARGES

US\$

***** BANK CHARGES

0 00 0 00 0 00

TRANSACT & BALANCE

FROM 01 01 87 TO 30 06 87

SCITECH TRADING GROUP INC
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
7	***** INCOME				
			H 02957		
761401	***** REAL GAINS/LOSSES - BEAR STEARNS	US\$			
	TRANSACTION & BALANCE		0 00	0 00	0 00
762417	***** REAL GAINS/LOSSES - REED STENHOUSE	HK\$			
	TRANSACTION & BALANCE		0 00	0 00	0 00
762701	***** REAL GAINS/LOSSES - ST TURNBULL	US\$			
	TRANSACTION & BALANCE		0 00	0 00	0 00
771101	***** INTEREST EARNED ON BONDS	US\$			
8 1	INTEREST FM 30 1286 TO 08 01	8475 5600001		305 78	
8 1	INTEREST TO 30 03 87 AT 0. 43	8475 5600001		187 03	492. 81-
8 4	6 0000 EURO-CD TORONTO DOMINION INTEREST	190000-18002 5600001		2 850. 00	3 342 81-
	TRANSACTION & BALANCE	190000-	0 00	3 342 81	3 342 81-
771201	***** DIVIDENDS	US\$			
	TRANSACTION & BALANCE		0 00	0 00	0 00

4202 SCITECH TRADING GROUP INC FROM 01 01 87 TO 30 06 87
LEDGER

A/C NAME & DESCRIPTION DOC NO CONTRA US\$

772201 ***** INTEREST EARNED ON FTD 192850-18004 5600001

8 5 CREDIT INTEREST 192850-18004 5600001

TRANSACT & BALANCE 192850-

GRAND TOTALS

DEBIT	CREDIT	BALANCE
0 00	1 004 42	1 004 42-
1 431 951 95	1 431 951 95	0 00

|| 02958

CSF INVESTMENTS LTD.
 MARKET VILLAGE, ARNUDA

SCITECH TRADING GROUP INC. FROM 01 01 86 TO 31 12 86
 LEDGER

NO	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
	TRANSIT ACCOUNT (SUITE)			11-02959		
	***** CAPITAL					US\$
0001	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS		US\$			
1	1 BROUGHT FORWARD			5 132.00+	64 378.17	64 378.13-
2	1 TRANSFER	101001		54 378.13		9.00
3	1 CHQ R. GUINTERO	5014 5600001		4 000.00		
4	1 REVERSAL	5014 5600001			4 003.35	7.35-
5	1 CHQ K. PHILLIPS	5043 5600001		4 000.00		
6	1 PMT HOTEL INTERCONT	5048 5600001		457.24		
7	1 CHQ R. GUINTERO + BC	5097 5600001		952.45+		4 453.89
8	1 REVERSAL	5097 5600001		4 003.49		
9	2 TRANSFER FROM LAKE RES.	5217 5600001			4 003.49	4 453.89
10	2 CHQ K. PHILLIPS + BC	5380 5600001		2 003.71		93 542.40-
11	2 CASH WITHDRAWAL	5262 5600001		30 000.00		63 542.40-
12	4 PMT INV. INTERCONTINENTAL	5325 5600001		4 872.80+		60 971.20-
13	4 PMT INV. HOTEL INTERCONTINENTAL	6025 5600001		2 036.74		59 934.46-
14	4 CHQ TO STIGT + CHARGES	2050 5600001		58 802.50		1 151.86-
15	4 NEW FUNDS	6085 5600001			16 000.00	17 151.86-
16	4 CHQ K. PHILLIPS + BC	6104 5600001		2 003.87		15 147.99-
17	5 NEW FUNDS	6189 5600001			8 833.00	23 980.99-
18	5 TR. FROM HYDE PARK	6210 5600001			100 000.00	123 980.99-
19	6 NEW FUNDS	6269 5600001			26 390.00	150 370.99-
20	6 RBT TEL. CALL	6253 5600001		112.00+		150 311.74-
21	6 CHQ K. PHILLIPS + BC	6276 5600001		59.25		148 307.98-
22	6 PMT HOTEL INTERCONTINENTAL	6312 5600001		2 003.76		146 801.57-
23	6 TR. FROM DEFEK	6422 5600001		1 506.41		148 529.57-
24	6 CHQ K. PHILLIPS + BC	6409 5600001		2 003.93	3 728.00	148 525.64-
25	7 PMT INV. 1323	7075 5600001		2 150.00		146 375.64-
26	8 CHQ K. PHILLIPS	7228 5600001		4 000.00		142 375.64-
27	9 TRANSFER FM U.S. FRIBOURG	7286 5600001			86 133.00	
28	9 CHQ K. PHILLIPS	7307 5600001		2 000.00		226 508.64-
29	9 TRANSFER FAV. STANFORD TECH.	7418 5600001		15 000.00		211 508.64-
30	10 CHQ TO KEITH E. PHILLIPS	8002 5600001		2 000.00		209 508.64-

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

•202 SCIECH TRADING GROUP, INC.
LEDGER

FROM 01 01 86 TO 31 12 86

V/C	NAME & DESCRIPTION	DOC. NO	CONTR.	(SUITE)	H 02960	DEBIT	CREDIT	BALANCE
10001	CAPITAL CONTRIBUTIONS/WITHDRAWA							
7 10	PMT INV. OF INTERCONTINENTAL HOTEL	8054	5600001		1 841 30+	1 138 36		209 370 28-
3 11	CHQ KEITH E. PHILLIPS	8113	5600001			2 000 00		206 370 28-
2 11	REDEMPTION PAYMENT MPUE 3/ SERPID	8120	5600001			130 319 31		75 050 37-
2 11	PMT INV. FM HOTEL INTERCONTINENTAL	8124	5600001		1 243 00+	727 75		25 323 22-
2 12	CHQ 391 INTERCONTINENTAL HOTEL	8377	5600001		27 539 05+	16 199 44		59 123 78-

	TRANSACTION BALANCE				44 473 85+	254 825 19	413 949 97	59 123 78-

11001	***** CAPITAL INVESTED			US\$				
1 1	BROUGHT FORWARD						38 000 00	38 000 00-
2 1	TRANSFER		100001				64 878 13	102 878 13-
3 1	MGT FEES 4TH QUARTER 1985		5001 5600001			130 46		102 747 67-
4 1	MGT FEES 1ST QUARTER 1986		6001 5600001			338 83		102 408 84-
7 7	MGT FEES 2ND QUARTER 1986		7001 5600001			538 35		101 870 49-
8 9	7 1250 CALL CREDIT LYONNAIS							
	ADJ.		583000F			0 00		101 870 49-
18 9	US\$/HK\$ AT 7 8035		7364 5600001			17 356 38		84 514 11-
15 10	MGT FEES 3RD QUARTER 1986		8001 5600001			740 65		83 773 46-
13 12	HK\$/US\$ AT 7 801		8418 5600001		163 080 01-		20 906 16	
13 12	MGT FEES 4TH QUARTER 86		8428 5600001			649 04		104 030 58-

	TRANSACTION BALANCE				163 089 01-	19 753 71	123 784 29	104 030 58-

11017	***** CAPITAL INVESTED			HK\$				
18 9	US\$/HK\$ AT 7 8035		7364 5600017				135 440 50	135 440 50-
13 12	HK\$/US\$ AT 7 801		8418 5600017		20 906 16+	163 089 01		27 648 51

	TRANSACTION BALANCE				20 906 16+	163 089 01	135 440 50	27 648 51

CF INVESTMENTS LTD.
MANIFIESTO - HERNUNDA

1-02 SCIECH TRADING GROUP INC FROM 01 01 86 TO 31 12 86
LEDGER

ACC. NAME & DESCRIPTION DOC. NO. CONTRA DEBIT CREDIT BALANCE

02962

***** ASSETS & LIABILITIES US\$

5301	***** FID. DEPOSIT - CREDIT LYONNAIS	US\$			
1	BROUGHT FORWARD	67340+	67 340.00		67 340.00
3	7.1250 CALL CREDIT LYONNAIS	1719+ 5337 5600001	1 719.52		69 059.62
3	5.7.1250 CALL CREDIT LYONNAIS	1038+ 6252 5600001	1 033.63		70 093.25
8	7.1250 CALL CREDIT LYONNAIS	1+	0.00		
8	9.7.1250 CALL CREDIT LYONNAIS	70089- 7283 5600001	70 089.25		0.00
	OFF CALL				

TRANSACT & BALANCE ----- 70 089.25 70 089.25 0.00

***** FID. DEPOSIT - RNB US\$

21	7.5.2500 RNB NEW YORK CALL	50000+ 7175 5600001	50 000.00		50 000.00
18	8.6.0000 R.N.B. 02/09/86	50000+ 7356 5600001	50 000.00		100 000.00
21	8.5.2500 RNB NEW YORK CALL	50000- 7353 5600001		50 000.00	50 000.00
18	8.5.2500 RNB NEW YORK CALL	50000+ 7353 5600001	50 000.00		100 000.00
29	8.5.2500 RNB NEW YORK CALL	50000- 7353 5600001		50 000.00	50 000.00
29	8.5.3750 R.N.B. 03/09/86	50000+ 7358 5600001	50 000.00		100 000.00
3	9.6.0000 R.N.B. 02/09/86	50000- 7357 5600001		50 000.00	50 000.00
3	9.5.3750 R.N.B. 03/09/86	50000- 7369 5600001		50 000.00	0.00

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
526101	FID. DEPOSIT - RNB					
5	6.3125 R.N.B. 20/10/86	80000+	8018 5600001	80 000.00		80 000.00
	FIDUCIARY DEPOSIT					
20 10	6.3125 R.N.B. 20/10/86	80000-	8040 5600001		80 000.00	
	REDEMPTION					
20 10	R.N.B. 20.11.86	80000+	8041 5600001	80 000.00		
	FIDUCIARY DEPOSIT					
20 10	R.N.B. 20.11.86	80000-	8148 5600001		80 000.00	0.00
	REVERSAL					
	TRANSACT. & BALANCE			360 000.00	360 000.00	0.00
526601	***** FID. DEPOSIT - CREDIT SUISSE		US\$			
9	6.1250 CALL CREDIT SUISSE	100000+	6290 5600001	100 000.00		100 000.00
	ON CALL					
16	6.1250 CALL CREDIT SUISSE	100000-	6320 5600001		100 000.00	
	OFF CALL					
20	6.1250 CALL CREDIT SUISSE	100000+	6361 5600001	100 000.00		100 000.00
	ON CALL					
24	6.1250 CALL CREDIT SUISSE	100000-	6383 5600001		100 000.00	0.00
	OFF CALL					
	TRANSACT. & BALANCE			200 000.00	200 000.00	0.00
105601	***** SECURITIES - CAN IMP. BY OF COMMER. U.S.					
30 12	6.4375 CIBC CERTIFICATES DEPOSIT	190000+	8475 5600001	190 000.00		190 000.00
	PURCHASE					
	TRANSACT & BALANCE			190 000.00	0.00	190 000.00



102 SCITECH TRADING GROUP INC. FROM 01 01 86 TO 11 12 86
LEDGER

1/C	NAME & DESCRIPTION	DOC NO	CONTRA	US\$	H	DEBIT	CREDIT	BALANCE
19	1401 ***** SECURITIES - BEAR STEARNS							
	1 BROUGHT FORWARD					14,005.00		14,005.00
	2 1 GEORGIA PACIFIC	1000+14029	5600001			25,743.88		
	5 1 FLUOR CORP	1000-14030	5600001				15,352.13	
	1 FLUOR CORP			761401		1,347.13		15,761.88
	3 1 E I DU PONT DE NEMOURS & CO	400+14027	5600001			24,463.04		50,206.92
	6 2 E I DU PONT DE NEMOURS & CO	375-14028	5600001				24,319.82	
	5 2 E I DU PONT DE NEMOURS & CO			761401		1,385.72		27,272.82
	7 2 E I DU PONT DE NEMOURS & CO	25-14031	5600001				1,631.76	
	7 2 E I DU PONT DE NEMOURS & CO			761401		102.82		
	7 2 INTL MINERALS & CHEMICAL CORP	200+14032	5600001			7,038.71		32,782.59
	50 2 GEORGIA PACIFIC	500-14038	5600001				14,076.42	
	20 2 GEORGIA PACIFIC			761401		1,204.48		19,910.65
	21 2 GEORGIA PACIFIC	500-14039	5600001				14,200.57	
	21 2 GEORGIA PACIFIC			761401		1,328.63		7,038.71
	24 2 FOSTER WHEELER CORP	1000+14040	5600001			13,043.49		20,082.20
	7 5 INTL MINERALS & CHEMICAL CORP	200-14066	5600001				6,974.76	
	7 5 INTL MINERALS & CHEMICAL CORP			761401			63.95	13,043.49
	24 7 BATTLE MOUNTAIN GOLD CO							

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA4202 SCITECH TRADING GROUP INC.
LEDGER FROM 01_01_86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
551401	SECURITIES - BEAR STEARNS PURCHASE	1000+14080	5600001	12,000.00		25,043.49
9	BATTLE MOUNTAIN GOLD CO. SALE	500-14083	5600001		9,300.00	
9	BATTLE MOUNTAIN GOLD CO. GAIN		761401	3,300.00		19,043.49
24	BATTLE MOUNTAIN GOLD CO. SALE	250-14092	5600001		4,843.75	
24	BATTLE MOUNTAIN GOLD CO. GAIN		761401	1,843.75		16,043.49
25	BATTLE MOUNTAIN GOLD CO. SALE	250-14088	5600001		4,843.75	
25	BATTLE MOUNTAIN GOLD CO. GAIN		761401	1,843.75		13,043.49
12 11	CITIZENS FINANCIAL GROUP INC PURCHASE	100+14100	5600001	3,783.80		16,827.25
17 12	CITIZENS FINANCIAL GROUP INC SALE	100-14101	5600001		3,776.27	
17 12	CITIZENS FINANCIAL GROUP INC LOSS		761401		7.53	13,043.49
19 12	FOSTER WHEELER CORP SALE	1000-14114	5600001		12,673.31	
19 12	FOSTER WHEELER CORP LOSS		761401		630.51	0.00

551801	TRANSACTION BALANCE			112,934.25		0.00
	SECURITIES - MERRILL LYNCH				112,934.25	0.00

	TRANSACTION BALANCE			0.00		0.00

CSF INVESTMENTS LTD.
 HONG KONG & HERMUDA

 02 SCLTECH. TRADING GROUP INC. FROM 01 01 86 TO 31 12 86
 LEDGER

V/C	NAME & DESCRIPTION	DOC NO	CONTRA	HK\$	DEBIT	CREDIT	BALANCE
2417	***** SECURITIES - REED STENHOUSE						
9	HONG KONG LAND PURCHASE	0000+24002	5600017		35 440.30		1.45 440.30
10	DAIRY FARM RCVD FREE 1 X 2 H X LAND	19000+24004		H 02966	15 440.50		
10	HONG KONG LAND RCVD FREE 1 X 2 H X LAND	24004	24DF		15 440.50		135 440.50
11	DAIRY FARM SALE	2009-24005	5600017			4 961.25	
11	DAIRY FARM GAIN		762417		1 873.15		
11	HONG KONG LAND PURCHASE	764+24006	5600017		4 960.44		137 312.84
12	HONG KONG LAND SALE	20764-24008	5600017			134 759.08	
12	HONG KONG LAND GAIN		762417		9 798.64		
12	DAIRY FARM COST ON DAIRY FARM		24007	5600017	6 254.54		
12	DAIRY FARM SALE	8009-24007	5600017			34 583.66	
12	DAIRY FARM GAIN		762417		15 976.72		0 00
	TRANSACT. & BALANCE				189 744.49	189 744.49	0 00
2701	***** SECURITIES - STRAUSS TURNBULL			US\$			
3	9 2500 EMI FINANCE BV PURCHASE	70000+27043	5600001		70 000.00		70 000.00
7	PURCHASE HIRAM WALKER	120000+27066	5600001		99 600.00		160 600.00
7	PURCHASE NEW ENGLAND LIFE MORTGAGE	30000+27065	5600001		9 937.50		170 537.50

CSF INVESTMENTS LTD.
INCORPORATED IN BARBUDA

4202 SCITECH TRADING GROUP INC
 LEDGER FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
52701	SECURITIES - STRAUSS TURNBULL						
18 7	HIRAM WALKER	84,000-27067	5600001			64,890.00	
18 7	HIRAM WALKER	762701		02967	1,470.00		107,117.50
10 9	9,0000 R.H.M. OVERSEAS FINANCE	100000+27075	5600001		100,000.00		207,117.50
16 9	1,0870 S.N.C.F. PART. PAID 15/97						
5 11	9,2500 EMI FINANCE BV	50000+27076	5600001		6,750.00		213,867.50
	SALE	50000-	8148	5600001		50,000.00	163,867.50
2 12	9,2500 EMI FINANCE BV	20000-27098	5600001			20,200.00	
2 12	REIMBURSEMENT						
19 12	1,0870 S.N.C.F. PART. PAID 15/97	762701			200.00		143,867.50
	SALE	50000-27084	5600001			5,562.50	
19 12	1,0870 S.N.C.F. PART. PAID 15/97	762701				1,187.50	
	LOSS						
19 12	NEW ENGLAND LIFE MORTGAGE	30000-27085	5600001			9,975.00	
19 12	NEW ENGLAND LIFE MORTGAGE						
19 12	GAIN	762701			37.50		
19 12	HIRAM WALKER	36000-27088	5600001			28,620.00	
19 12	HIRAM WALKER	762701			1,440.00		
19 12	9,0000 R.H.M. OVERSEAS FINANCE	100000-27093	5600001				
19 12	SALE						
19 12	9,0000 R.H.M. OVERSEAS FINANCE						
	GAIN				500.00		

TRANSACTION BALANCE 280,935.00

280,935.00 280,935.00 0.00



4202 SCITECH TRADING GROUP INC
LEDGER

FROM 01 01 36 TO 31 12 36

A/C NAME & DESCRIPTION DOC. NO. CONTRA DEBIT CREDIT BALANCE

900001 CASH ACCOUNT US\$

A/C NAME & DESCRIPTION	DOC. NO. CONTRA	DEBIT	CREDIT	BALANCE
1 BROUGHT FORWARD	58340	21 523.17		21 523.17
1 CHG R QUINTERO	5014 100001		4 600.00	
7 1 BANK CHARGES	5014 673701		3.33	
7 1 REVERSAL	5014 100001	4 003.35		21 533.17
8 1 MGT FEES 4TH QUARTER 1985	5001 101001		130.46	21 602.67
15 1 CHG K PHILLIPS	5043 100001		4 000.00	
15 1 BANK CHARGES	5043 673701		3.33	
16 1 PMT HOTEL INTERCONT	5048 100001	252.45		18 242.04
24 1 GEORGIA PACIFIC	1000-14029 146P		25 743.88	
24 1 FLUOR CORP	1000*14030 14FLR	15 852.18		2 050.38
28 1 E I DU PONT DE NEMOURS & CO	400-14027 14DD		24 463.04	17 412.66
30 1 CHG R QUINTERO + BC	5097 100001		4 003.49	
30 1 REVERSAL	5097 100001	4 003.49		17 412.66
6 2 E I DU PONT DE NEMOURS & CO	375*14028 14DD		24 319.82	
6 2 TRANSFER FROM LAKE RES.	5217 100901	100 000.00		106 907.16
7 2 E I DU PONT DE NEMOURS & CO	25*14031 14DD		1 631.76	
7 2 INTL MINERALS & CHEMICAL CORP	200-14032 14IGL		7 038.71	101 500.21
20 2 GEORGIA PACIFIC	500*14038 14GP	14 076.42		115 576.63
21 2 GEORGIA PACIFIC	500*14039 14GP	14 200.57		129 777.20
24 2 FOSTER WHEELER CORP	1000-14040 14FWC		13 043.49	116 733.71
26 2 CHG K PHILLIPS + BC	5380 100001		2 003.71	114 730.00
28 2 CASH WITHDRAWAL	5262 100001		30 000.00	85 730.00
10 3 GEORGIA PACIFIC	1000* 5435 14GP		140.00	84 870.00
13 3 INT ON CALL	5336 772201	1 710.62		

H 02968

CSF INVESTMENTS LTD.
 HAMILTON, QUEBEC

 4202 SCITECH TRADING GROUP INC.
 LEDGER

FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC NO	CONTR#	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT					
13 3	7 1250 CALL CREDIT LYONNAIS	1710-	5337 58J000F		1 710 62	84 870 00
14 3	PAT INV. INTERCONTINENTAL		5325 100001		2 551 20	82 318 80
26 3	9 2500 EMI FINANCE BV			4 872 80-		
	PURCHASE	70000-	27043 27JEM1		70 000 00	
26 3	9 2500 EMI FINANCE BV					
	ACCRUED INTEREST	70000-	27043 27JEM1		6 133 26	6 185 54
31 3	INTL MINERALS & CHEMICAL CORP					
	DIVIDEND	200+	6177 14IGL	35 00		6 220 54
8 4	MGT FEES 1ST QUARTER 1986		6001 101001		338 83	5 881 71
10 4	PAT INV. HOTEL INTERCONTINENTAL		6025 100001	2 034 60-	1 036 74	4 844 97
11 4	CHG TO SITIGI + CHARGES		2050 100001		58 802 60	53 957 63-
15 4	9 2500 EMI FINANCE BV					
	CREDIT INTEREST	70000+	6436 27JEM1	6 475 00		47 482 63-
22 4	NEW FUNDS		6085 100001	16 000 00		31 482 63-
30 4	CHG K. PHILLIPS + BC		6104 100001		2 005 87	33 486 50-
7 5	INTL MINERALS & CHEMICAL CORP					
	SALE	200+14066	14IGL			
20 5	NEW FUNDS		6189 100001	6 974 76		26 511 74-
22 5	TR FROM HYDE PARK		6210 100001	8 833 00		17 678 74-
22 5	CALL INT		6258 772201	100 000 00		82 321 74-
28 5	7 1250 CALL CREDIT LYONNAIS			1 036 62		
	ON CALL	1038-	6259 68J000F		1 036 63	62 321 26
2 6	NEW FUNDS		6269 100001	26 390 05		106 711 26
3 6	RAT TEL CALL		6293 100001		54 25	108 652 01
4 6	CHG K. PHILLIPS + BC		6276 100001		2 005 76	110 657 77
9 6	6 1250 CALL CREDIT SUISSE					
	ON CALL	100000-	6290 66J000F		90 367 05	5 944 21
11 6	PAT HOTEL INTERCONTINENTAL		6312 100001	2 745 65-		5 141 84
16 6	6 1250 CALL CREDIT SUISSE					
	OFF CALL	100000+	6320 66J000K	100 000 00		
16 6	CALL INT		6384 772201	116 66		
16 6	FOSTER WHEELER CORP					
	DIV/DEND	1000+	6441 14FWC	77 00		105 335 53
19 6	TR FROM DEFFX		6422 100001	3 728 00		109 063 53
20 6	6 1250 CALL CREDIT SUISSE					

202 SCITECH TRADING GROUP INC
LEDGER

FROM 01 01 86 TO 11 12 86

CSF INVESTMENTS LTD.
HAMILTON, QUEBEC

LINE	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
00001	CASH ACCOUNT	100000-6361	661000K			
	ON CALL				100 000 00	2 063 53
5	5 2500 CALL CREDIT SUISSE	100000+6383	661000K	100 000 00		
	OFF CALL			50 00		
6	6 CALL INT	6414	772201	15 56		109 130 19
6	6 CALL INT	6414	772201			107 125 26
5	5 CHO K. PHILLIPS + BC	6409	100001		2 003 97	
7	HIRAM WALKER					
	PURCHASE-27066 27311WA	120000-27066	27311WA			
7	7 MGT FEES 2ND QUARTER 1986	7001	101001		29 000 00	15 526 26
9	NEW ENGLAND LIFE MORTGAGE				538 33	15 987 91
	PURCHASE	30000-27065	27311WE			
17	7 PMT INV 1323	7075	100001		2 150 00	6 050 41
18	HIRAM WALKER					3 900 41
	SALE	84000+27067	27311WA	64 890 00		68 790 41
1	5 2500 RND NEW YORK CALL	50000-7175	6113600		50 000 00	18 790 41
24	BATTLE MOUNTAIN GOLD CO	1000-14080	140MGC			
	PURCHASE				12 000 00	6 790 41
1	7 CALL INTEREST	7206	772201	99 41		6 880 82
8	6 0000 R.N.B. 02/09/86					
	FIDUCIARY DEPOSIT	50000-7356	611245A		50 000 00	43 119 18
1	5 2500 RNB NEW YORK CALL	50000+7353	6113600	50 000 00		6 880 82
2	8 CHO K. PHILLIPS	7228	100001		4 000 00	
2	8 BANK CHARGES	7228	673701		5 95	2 874 87
8	5 2500 RNB NEW YORK CALL	50000-7353	6113600		50 000 00	47 125 13
8	5 2500 RNB NEW YORK CALL	50000+7353	6113600	50 000 00		
8	5 2500 R.N.B. 03/09/86					
	FIDUCIARY DEPOSIT	50000-7358	611246A		50 000 00	47 125 13
9	TRANSFER FH U.S. - FRIBOURG	7286	100001	86 133 00		
9	CHO K. PHILLIPS	7307	100001		2 000 00	
9	BANK CHARGES	7307	673701		6 06	
9	6 0000 R.N.B. 02/09/86					
	REDEMPTION	50000-7357	611245A	50 000 00		

|| 02970

CSF INVESTMENTS LTD.
 MADRID, SPAIN

 4202 SCITECH TRADING GROUP INC FROM 01 01 86 TO 31 12 86
 LEDGER

A/C	NAME & DESCRIPTION	DOC_NO	CONTRA	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT		(SUITE)			
2 9	INTEREST	7357	772201	123.29		87 125.10
3 9	5.3750 R.N.B. 03/09/86	50000+	7369 613246A	50 000.00		
	REDEMPTION		7369 772201	36.81		
3 9	INTEREST					137 161.91
5 9	6.3125 R.N.B. 20/10/86	80000-	8018 613293A	80 000.00		57 161.91
	FIDUCIARY DEPOSIT					
8 9	7.1250 CALL CREDIT LYONNAIS	70089+	7283 583000F	70 089.25		
	OFF CALL		7283 772201	1 303.47		
8 9	CALL INTEREST					
8 9	ADJ.ON OFF CALL		7283 772201		0.01	
8 9	CALL INT		7371 772201	157.53		128 712.15
9 9	BATTLE MOUNTAIN GOLD CO					
	SALE	500+	14083 14BMGC	9 300.00		138 012.15
10 9	9.0000 R.H.M. OVERSEAS FINANCE					
	PURCHASE	100000-	27075 27JRHM	100 000.00		
10 9	9.0000 R.H.M. OVERSEAS FINANCE					
	ACCURED INTEREST	100000-	27075 27JRHM	625.00		37 387.15
15 9	FOSTER WHEELER CORP.					
	DIVIDEND	1000+	7435 14EWC	77.00		37 464.15
16 9	1.0870 S.N.C.F. PART PAID 15/97	50000-	27076 14SMEF		6 750.00	
16 9	1.0870 S.N.C.F. PART PAID 15/97	50000-	27076 14SMEF			
	ACCURED INTEREST	50000-	27076 14SMEF		1.51	30 712.66
18 9	US\$/HK\$ AT 7.8035					
18 9	BATTLE MOUNTAIN GOLD CO	7364	101001	17 354.28		
	DIVIDEND					
22 9	TRANSFER FAV. STANFORD TECH	1000+	7425 14EM52	17.50		3 222.16
24 9	BATTLE MOUNTAIN GOLD CO		7428 100001		15 000.00	627.66
	SALE	250+	14092 14BMGC	4 843.75		3 211.51
25 9	BATTLE MOUNTAIN GOLD CO					
	SALE	250+	14088 14BMGC	4 843.75		8 061.20
2 10	CHO TO KEITH E. PHILLIPS	8002	100001	2 000.00		
2 10	BANK CHARGES	8002	62701	6.13		6 055.07
15 10	M&I FEES 3RD QUARTER 1986	8001	101001	740.64		5 216.41
17 10	FMT INV OF INTERCONTINENTAL HOTEL		8054 100001			
20 10	6.3125 R.N.B. 20/10/86			1 843.20		4 110.12

1202 SCI TECH TRADING GROUP INC FROM 01 01 86 TO 31 12 86
LEDGER

DATE	NAME & DESCRIPTION	DOC. NO.	COUNTER	DEBIT	CREDIT	BALANCE
000001	CASH ACCOUNT					
	REDEMPTION	80000+	8040 611293A (SUITE)	80 000 00		
09 10	INTEREST	9040	772201	622 60		
09 10	SECURITARY DEPOSIT	30900-	3041 6113249		80 000 00	
09 10	REVERSAL	80000+	8148 6113248	80 000 00		34 798 72
3 11	CHQ KEITH E. PHILLIPS	8113	100001		2 000 00	
3 11	BANK CHARGES	8113	673701		5 87	82 792 85
5 11	REDEMPTION PAYMENT MADE BY SERVID	9120	100001		1 40 319 31	
5 11	9-2500 EMI FINANCE BY SALE	50000+	8148 271EMI	50 000 00		
5 11	9-2500 EMI FINANCE BY ACCRUED INTEREST	50000+	8148 271EMI	2 584 93		5 058 47
12 11	PMT INV FM HOTEL INTERCONTINENTAL	8144	100001		727 75	
12 11	CITIZENS FINANCIAL GROUP INC PURCHASE	100-	14109 14CITN		3 783 80	546 92
2 12	9-2500 EMI FINANCE BY REIMBURSEMENT	20000+	27098 271EMI	20 200 00		
2 12	9-2500 EMI FINANCE BY ACCRUED INT	20000+	27098 271EMI	1 166 52		21 913 44
5 12	FOSTER WHEELER CORP DIVIDEND	1000+	9487 14FCW	77 00		21 990 44
17 12	CITIZENS FINANCIAL GROUP INC SALE	100+	14101 14CITN	3 776 27		25 766 71
18 12	CHQ 391 INTERCONTINENTAL HOTEL	8377	100001		16 199 44	9 567 27
09 12	1-0870 S.N.C.F. PART PAID 15/9/			27 532 05-		
09 12	1-0870 S.N.C.F. PART PAID 15/9/	50000+	27084 271SNCF	5 562 50		
19 12	1-0870 S.N.C.F. PART PAID 15/9/	50000+	27084 271SNCF	141 98		
19 12	CREDIT INTEREST NEW ENGLAND LIFE MORTGAGE	30000+	27085 271NEW	9 975 00		
19 12	SALE HIRAM WALKER	36000+	27088 271HWA	28 620 00		
19 12	9 0000 R H M OVERSEAS FINANCE	100000+	27093 271RHM	100 500 00		
19 12	9 0000 R H M OVERSEAS FINANCE					

02972

CSF INVESTMENTS LTD.
HARLEY, KILGERMUDA

4202 SCITECH TRADING GROUP INC. FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT		(SUITE)			
	CREDIT INTEREST	100000+27093	27JRHM	3 100 00		
19 12	FOSTER WHEELER CORP.	1000+14114	14FWC	12 413 38		169 880 13
23 12	HK\$/US\$ AT 7 801	8418	101001	183 089 71		
23 12	MGT FEES 4TH QUARTER 86	8428	101001	20 906 16		
30 12	6.4375 CIBC CERTIFICATES DEPOSIT				649 04	190 137 25
	PURCHASE	190000-	8475 08JCD		190 000 00	137 25

TRANSACT. & BALANCE 114799- 116 615 36+ 1 432 758 18 1 432 620 93 137 25

5600017	***** CASH ACCOUNT	HK\$
12 9	HONG KONG LAND	
	PURCHASE	20000-24002 24HKL
18 9	US\$/HK\$ AT 7 8035	7364 101017
4 11	DAIRY FARM	2000+24005 24DF
	SALE	764-24006 24HKL
4 11	HONG KONG LAND	
	PURCHASE	20764+24002 24HKL
17 12	HONG KONG LAND	
	SALE	24007 24DF
17 12	DAIRY FARM	
	COST ON DAIRY FARM	
17 12	DAIRY FARM	
	SALE	
23 12	HK\$/US\$ AT 7 801	
	PURCHASE	

TRANSACT. & BALANCE :0000+ 20 906 16- 309 744 49 309 744 49 0 00

CFI INVESTMENTS LTD.
HAMILTON, BERMUDA

1202 SCITECH TRADING GROUP, INC.
LEDGER FROM 01 01 86 TO 31 12 86

V/C NAME & DESCRIPTION DEDIT CREDIT BALANCE

11 02974

4202 SCITECH TRADING GROUP INC. FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
6	***** CHARGES		US\$	11 02975		
Δ73701	***** BANK CHARGES		US\$			
7	1 BANK CHARGES	5014	5600001	3.35		3.35
16	1 BANK CHARGES	5043	5600001	3.35		6.70
22	8 BANK CHARGES	7228	5600001	5.95		12.65
2	9 BANK CHARGES	7307	5600001	6.06		18.71
2	10 BANK CHARGES	8002	5600001	6.13		24.84
3	11 BANK CHARGES	8113	5600001	5.87		30.71
	TRANSACT. & BALANCE			30.71	0.00	30.71

CSF INVESTMENTS LTD.
HAMILTON, JEREMUDA

4202 SCITECH TRADING GROUP INC FROM 01 01 86 TO 31 12 86
LEDGER

V/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

***** INCOME US\$

11 02976

***** REAL GAINS/LOSSES - NEAR STERNS US\$

14	1 FLUOR CORP				
	GAIN	14FLR	347.18		1 347.18-
15	2 E I DU PONT DE NEMOURS & CO				
	GAIN	14DD	335.72		2 232.99-
16	2 E I DU PONT DE NEMOURS & CO				
	GAIN	14DD	102.32		3 335.72-
17	2 GEORGIA PACIFIC				
	GAIN	14GP	1 204.48		4 540.20-
18	2 GEORGIA PACIFIC				
	GAIN	14GP	1 228.63		5 868.83-
19	5 INTL MINERALS & CHEMICAL CORP				
	LOSS	14TGL	63.95		5 804.88-
20	9 BATTLE MOUNTAIN GOLD CO				
	GAIN	14BMGC	3 300.00		9 104.88-
21	9 BATTLE MOUNTAIN GOLD CO				
	GAIN	14BMGC	1 843.75		10 948.63-
22	9 BATTLE MOUNTAIN GOLD CO				
	GAIN	14BMGC	1 843.75		12 792.38-
23	12 CITIZENS FINANCIAL GROUP INC				
	LOSS	14CITN	7.53		12 784.85-
24	12 FOSTER WHEELER CORP				
	LOSS	14FWC	630.11		12 154.74-
TRANSACTION & BALANCE					

					701.59 12 856.33 12 154.74-

CSF INVESTMENTS LTD.
HONG KONG & SHANGHAI

4202 SCITECH TRADING GROUP INC. FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
762417	***** REAL GAINS/LOSSES - REED STENHOUSE HK\$			11 02977		
4 11	DAIRY FARM					
	GAIN	24DF			1 873.15	1 873.15-
17 12	HONG KONG LAND					
	GAIN	24HKL			9 798.64	
17 12	DAIRY FARM					
	GAIN	24DF			15 976.72	27 648.51-

	TRANSACT. & BALANCE			0.00	27 648.51	27 648.51-
762701	***** REAL GAINS/LOSSES - ST. TURNBULL US\$					
18 7	HIRAM WALKER					
	GAIN	27JHWA			1 470.00	1 470.00-
2 12	9 2500 EMI FINANCE BV					
	GAIN	27JEMI			200.00	1 670.00-
19 12	1 0870 S.N.C.F. PARI PAID 15/97					
	LOSS	27JENCI		1 187.50		
19 12	NEW ENGLAND LIFE MORTGAGE					
	GAIN	27JENWC			77.50	
19 12	9 0000 P.H.M. OVERSEAS FINANCE					
	GAIN	27JHWC			1 640.00	
	GAIN	27JHWC			500.00	3 657.50-

	TRANSACT. & BALANCE			1 187.50	3 657.50	3 657.50-
771101	***** INTEREST EARNED ON BONDS					
26 3	9 2500 EMI FINANCE BV					
	ACCRUED INTEREST	70000-27043	5600001	6 333.26		6 333.26
15 6	9 2500 EMI FINANCE BV					
	CREDIT INTEREST	70000-	6436 5600001		6 475.00	12 808.26

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

1202 SCITECH TRADING GROUP INC FROM 01 01 86 TO 31 12 86
LEDGER

AC	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
	(SUITE)				
71101	INTEREST EARNED ON BONDS				
10 9	2 0000 R.H.M. OVERSEAS FINANCE				193.20
	ACCURED INTEREST	10000-27075 5600001	11,209.97		
10 9	2 4870 R.H.M. OVERSEAS FINANCE				394.77
	ACCURED INTEREST	50000-27076 5600001	1.51		
2 11	9 2500 EMI FINANCE BV	50000- 8149 5600001		2 584.93	3 309.10
2 12	9 2500 EMI FINANCE BV	20000-27093 5600001		1 156.52	3 465.62
1 12	1 0870 R.H.M. OVERSEAS FINANCE				
	ACCURED INTEREST	50000-27084 5600001		141.28	
1 12	9 0000 R.H.M. OVERSEAS FINANCE				
	CREDIT INTEREST	100000-27093 5600001	3 100.00		6 708.66
	CREDIT INTEREST				
	TRANSACTION & BALANCE	70000-	6 759.77	13 468.43	6 708.66

71201 ***** DIVIDENDS US\$

10 3	GEORGIA PACIFIC	1000- 5435 5600001		140.00	149.00-
	DIVIDEND				
11 3	INTL MINERALS & CHEMICAL CORP	200- 6177 5600001		35.00	175.00-
	DIVIDEND				
16 6	FOSTER WHEELER CORP.	1000- 6441 5600001		77.00	252.00-
	DIVIDEND				
15 9	FOSTER WHEELER CORP.	1000- 7435 5600001		77.00	329.00-
	DIVIDEND				
18 9	BATTLE MOUNTAIN GOLD CO	1000- 7435 5600001		17.50	346.50-
	DIVIDEND				
15 12	FOSTER WHEELER CORP.	1000- 8487 5600001		77.00	423.50-
	DIVIDEND				
	TRANSACTION & BALANCE	5200-	0.00	423.50	423.50-

00 C.S.F. INV. LTD FROM 01 01 85 TO 31 12 85

C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

02900

2001	*****	SCITECH TRADING GROUP INC	CASH	US\$
11	NEW FUNDS	8160	5611001	
11	FIDUCIARY DEPOSIT	67340+	8160	5611001
11	PHI INTERCONTINENTAL	8215	5609001	5 133.00+
12	CHG K. PHILLIPS	8303	999901	2 461.87
12	BUS. EXP. PHASE IV	8333	999901	2 000.00
12	RD WITH. AH. AND. RV5	8333	999901	10 000.00
12	PURCHASE	1000+	8424	5614001
				14 005.00
				67 340.00
				0.00
				2 461.87
				50 000.00
				35 538.13-
				21 533.13-

INVESTMENTS LTD.
HAMILTON, BERMUDA



2000 C.S.F. INV LTD H 02981 86 03 13 PAGE 367
 LEDGER FROM 01 01 85 TO 31 12 85
 A/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE
 4202001 SCITECH TRADING GROUP INC CASH (SUITE)
 TRANSACT & BALANCE 68340+ 5 133 00+ 95 806 87 117 340 00 21 533 13-

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
1	***** CAPITAL		US\$			
100001	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS		US\$			
1	BROUGHT FORWARD			2 000 000 00	2 000 000 00	0 00
2	TRANSFER	101001		1 767 12		1 767 12
4	3 PMT F 2082 STC INT	1317 5600001				
	TRANSACT & BALANCE			2 001 767 12	2 000 000 00	1 767 12
101001	***** CAPITAL INVESTED		US\$			
1	BROUGHT FORWARD			15 246 19	144 397 70	129 151 51-
1	1986 P/L NET BALANCE			25 178 56+	2 000 000 00	2 129 151 51-
2	TRANSFER	100001		3 834 48		2 125 317 03-
30	1 MGT FEES 4TH QARTER 1986	5001 5600001		1 330 69		2 123 986 34-
21	4 MGT FEES 1ST QUARTER 1987	6001 5600001				
	TRANSACT & BALANCE			20 411 36	2 144 397 70	2 123 986 34-
101012	***** CAPITAL INVESTED		MFK			
1	BROUGHT FORWARD			25 178 56	25 178 56	0 00
1	1986 P/L NET BALANCE			5 308 25-		
	TRANSACT & BALANCE			25 178 56	25 178 56	0 00

11 02902

87 05 29 PAGE 2

FROM 01 01 87 TO 30 06 87

AH/SUB A/C # 1
LEDGER

4224

DEBIT CREDIT BALANCE

DOC NO CONTRA

A/C NAME & DESCRIPTION

4.224 AH/SUB A/C # 1 FROM 01 01 87 TO 30 06 87
LEDGER

A/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE
H 02984

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
5	***** ASSETS & LIABILITIES		US\$			
517401	***** PRIVATE INVESTMENTS RECEIVABLE		US\$			
	TRANSACT & BALANCE			0.00	0.00	0.00
525601	***** FID DEPOSIT - CONTINENTAL BANK		US\$			
	TRANSACT & BALANCE			0.00	0.00	0.00
526101	***** FID DEPOSIT - RNB		US\$			
	TRANSACT & BALANCE			0.00	0.00	0.00
526601	***** FID DEPOSIT - CREDIT SUISSE		US\$			
	TRANSACT & BALANCE			0.00	0.00	0.00
526901	***** FID DEPOSIT - CTBC GENEVA		US\$			
	TRANSACT & BALANCE			0.00	0.00	0.00
550601	***** SECURITIES - R N B		US\$			
	TRANSACT & BALANCE			0.00	0.00	0.00
550801	***** SECURITIES - CAN IMP BK OF COMMER US\$					
1 1	BROUGHT FORWARD	2127000+		2 127 000 00		2 127 000 00
8 1	SALE	2127000- 8475 5600001			2 127 000 00	
8 1	INTEREST TO 30 03 87 AT 0 437	8475 5600001			2 093 76	
8 1	REVERSAL	8475 5600001		2 093 76		0.00

4.224 AH/SUB A/C # 1 FROM 01 01 87 TO 30 06 87 87 05 29 PAGE 4

A/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

550801 SECURITIES - CAN IMP BK OF CO (SUITE)

TRANSACT & BALANCE 2 129 093 76 2 129 093 76 0 00

551401 ***** SECURITIES - BEAR STEARNS US\$ 0 00 0 00

TRANSACT & BALANCE 0 00 0 00 0 00

551801 ***** SECURITIES - MERRILL LYNCH US\$

8 1 6 0000 EURO-CD TORONTO DOMINION 2 125 000 00 2 125 000 00
 PURCHASE 2125000+18001 5600001
 8 4 6 0000 EURO-CD TORONTO DOMINION 2 125 000 00
 REDEMPTION 2125000-18002 5600001
 8 4 6 2500 MERRILL LYNCH 8/5/87 2 156 875 00 2 156 875 00
 FIDUCIARY DEPOSIT 2156875+18003 5600001
 8 5 6 8750 MERRILL LYNCH 8/7/87 2 168 108 00 2 168 108 00
 FIDUCIARY DEPOSIT 2168108+18005 5600001
 8 5 6 2500 MERRILL LYNCH 8/5/87 2 156 875 00 2 156 875 00
 REDEMPTION 2156875-18004 5600001

TRANSACT & BALANCE 2 168 108 00 2 168 108 00

552212 ***** SECURITIES - MORGAN STANLEY MFK 6 449 983 00 4 281 875 00 2 168 108 00

TRANSACT & BALANCE 0 00 0 00 0 00

552701 ***** SECURITIES - STRAUSS TURNBULL US\$ 0 00 0 00

TRANSACT & BALANCE 0 00 0 00 0 00

H 02985

4.224 AH/SUB A/C # 1 FROM 01 01 87 TO 30 06 87
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5600001	***** CASH ACCOUNT	US\$			
1	1 BROUGHT FORWARD	1637000-	2 151 51		2 151 51
8	1 SALE	2127000+	2 127 000 00		
8	1 INTEREST FM 30 1286 TO 08 01	8475 083CD	3 423 14		
8	1 INTEREST TO 30 03 87 AT 0 437	8475 083CD	2 093 76		
8	1 6 0000 EURO-CD TORONTO DOMINION PURCHASE	2125000-18001 183CDTO		2 125 000 00	
8	1 REVERSAL	8475 083CD		2 093 76	
8	1 INTEREST TO 30 03 87 AT 0 43	8475 083CD	2 093 76		9 668 41
30	1 MGT FEES 4TH QUARTER 1986	5001 101001		3 834 48	5 833 93
4	3 PMT F 2082 STC INT	1317 100001		1 767 12	4 066 81
8	4 6 0000 EURO-CD TORONTO DOMINION REDEMPTION	2125000+18002 183CDTO	2 125 000 00		
8	4 6 0000 EURO-CD TORONTO DOMINION INTEREST	2125000+18002 183CDTO		31 875 00	
8	4 6 2500 MERRILL LYNCH 8/5/87	2156875-18003 181128A		2 156 875 00	4 066 81
21	4 MGT FEES 1ST QUARTER 1987	6001 101001		1 330 69	2 736 12
8	5 6 8750 MERRILL LYNCH 8/7/87	2168108-18005 181189A		2 168 108 00	
8	5 6 2500 MERRILL LYNCH 8/5/87	2156875+18004 181128A	2 156 875 00		
8	5 REDEMPTION	2156875+18004 181128A	1 233 73		2 736 85
8	5 CREDIT INTEREST				
TRANSACT & BALANCE			25 178 56-	6 459 009 05	2 736 85

FROM 01 01 87 TO 30 06 87

AH/SUB A/C # 1
LEDGER

DOC NO CONTRA

4224

A/C NAME & DESCRIPTION

A/C	NAME & DESCRIPTION	DEBIT	CREDIT	BALANCE
5600012	***** CASH ACCOUNT			
	TRANSACT & BALANCE	0 00	0 00	0 00
5700001	***** BLOCKED DEPOSIT ACCOUNT			
	TRANSACT & BALANCE	0 00	0 00	0 00

MFK

US\$

H 02987

4224 AH/SUB. A/C # 1
LEDGER

FROM 01 01 87 TO 30 06 87

A/C NAME & DESCRIPTION

DEBIT

|| 02928

BALANCE

6 ***** CHARGES

US\$

4224 AH/SUB A/C # 1 FROM 01 01 87 TO 30 06 87
 LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
7	CHARGES	(SUITE)			
7	***** INCOME	US\$			
760601	***** REAL GAINS/LOSSES - R N B	US\$			
	TRANSACT & BALANCE		0 00	0 00	0 00
760801	***** REAL GAINS/LOSSES - CIRC	US\$			
	TRANSACT & BALANCE		0 00	0 00	0 00
761401	***** REAL GAINS/LOSSES - BEAR STEARNS	US\$			
	TRANSACT & BALANCE		0 00	0 00	0 00
762212	***** REAL GAINS/LOSSES - MORGAN STANLEY MFK				
	TRANSACT & BALANCE		0 00	0 00	0 00
762401	***** REAL GAINS/LOSSES - BEAR STEARNS	US\$			
	TRANSACT & BALANCE		0 00	0 00	0 00
762701	***** REAL GAINS/LOSSES - STRAUSS TURNBU	US\$			
	TRANSACT & BALANCE		0 00	0 00	0 00
771101	***** INTEREST EARNED ON BONDS	US\$			
8 1	INTEREST 640 30 213841 TO 08 01	84.75 5600001		3 423 14	
8 1	INTEREST TO 30 03 87 AT 0.43	84.75 5600001		2 093 76	5 516 90-
8 4	6 0000 EURO-CD TORONTO DOMINION	2125000-18002 5600001		31 875.00	37 391 90-
	INTEREST				

4.224 AH/SUB A/C # 1 FROM 01 01 87 TO 30 06 87
 LEDGER

H 02990

DOC NO CONTRA (SUITE)

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
771101	INTEREST EARNED ON BONDS				
	TRANSACT & BALANCE 2125000-		0 00	37 391 90	37 391 90-
771212	***** DIVIDENDS	MFK			
	TRANSACT & BALANCE		0 00	0 00	0 00
772201	***** INTEREST EARNED ON FTD	US\$			
8 5	CREDIT INTEREST 2156875-18004 5600001		11 233 73	11 233 73	11 233 73-
772301	TRANSACT & BALANCE 2156875-		0 00	11 233 73	11 233 73-
	***** INCOME ON INVESTMENTS	US\$			
	TRANSACT & BALANCE		0 00	0 00	0 00
800	***** DEBTOR BY GUARANTEE	US\$			
800001	***** FORWAY DEBTOR GUARANTY	US\$			
	TRANSACT & BALANCE		0 00	0 00	0 00
801	***** GUARANTEE FURNISHED	US\$			
801001	***** CIBC GUARANTY FURNISHED	US\$			
	TRANSACT & BALANCE		0 00	0 00	0 00

87 05 29 PAGE 10

FROM 01 01 87 TO 30 06 87

4224 AH/SUB A/C # 1

LEDGER

DEBIT CREDIT BALANCE

DOC. NO CONTRA

A/C NAME & DESCRIPTION

4.224 AH/SUB. A/C # 1 FROM 01 01 87 TO 30 06 87

LEDGER

A/C NAME & DESCRIPTION DEBIT CREDIT BALANCE

DOC NO CONTRA

9 ***** TRANSIT ACCOUNTS

US\$

*****	*****	*****	*****
17 088 179 70	17 088 179 70	17 088 179 70	0 00
*****	*****	*****	*****

GRAND TOTALS

II 02992

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

87 01 28 PAGE 1

H 02993

FROM 01 01 86 TO 31 12 86

4224 AH/SUB. A/C # 1
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
	TRANSIT ACCOUNTS		(SUITE)			
	***** CAPITAL		US\$			
00001	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS		US\$			
6	3 NEW FUNDS	5279	5600001	1 990 000.00		1 990 000.00-
21	5 TR. FROM GULF	6218	5600001	10 000.00		2 000 000.00-
	TRANSACT. & BALANCE			0.00	2 000 000.00	2 000 000.00-
01001	***** CAPITAL INVESTED		US\$			
7	7 MGT FEES 2ND QUARTER 1986	7001	5600001	2 481.98		2 481.98
15	10 MGT FEES 3RD QUARTER 1986	8001	5600001	3 744.75		6 226.73
25	11 MKF/US\$ AT 20.455	22026	5600001	43 503.40		49 730.13
23	12 MKF/US\$ AT 4.909	8418	5600001	187 500.00-		
23	12 MGT FEES 4TH QUARTER 86	8428	5600001	3 711.21		15 246.19
	TRANSACT. & BALANCE			53 441.34	38 195.15	15 246.19
01012	***** CAPITAL INVESTED		MKF			
25	11 MKF/US\$ AT 20.455	22026	5600012	43 503.40-		212 678.56-
23	12 MKF/US\$ AT 4.909	8418	5600012	187 500.00		25 178.56-
	TRANSACT. & BALANCE			5 308.25-	212 678.56	25 178.56-

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

87 01 28 PAGE 2

224
A/C/SUB. A/C # 1
LEDGER

FROM 01 01 86 TO 31 12 86

A/C. NAME & DESCRIPTION DOC. NO. CONTRA DEBIT CREDIT BALANCE

H 02994

)
)
)

C

C

4224 AH/SUB. A/C # 1 FROM 01 01 86 TO 31 12 86
LEDGER

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5	***** ASSETS & LIABILITIES		US\$			
517401	***** PRIVATE INVESTMENTS RECEIVABLE		US\$		11 02995	
5 9	7.0000 COSFIN BV INVESTMENT	50000+	3519 5600001	50 000.00		50 000.00
11 12	7.0000 COSFIN BV REDEMPTION	50000-	4436 5600001		50 000.00	0.00
	TRANSACT. & BALANCE			50 000.00	50 000.00	0.00
525301	***** FID. DEPOSIT - CONTINENTAL BANK		US\$			
6 11	5.8750 CONTINENTAL BANK 08.12.8 FIDUCIARY DEPOSIT	14000+	8107 5600001	14 000.00		14 000.00
8 12	5.8750 CONTINENTAL BANK 08.12.8 REDEMPTION	14000-	8268 5600001		14 000.00	
8 12	6.2500 CONTINENTAL BANK 08.01.8 FIDUCIARY DEPOSIT	14000+	8269 5600001	14 000.00		14 000.00
15 12	6.2500 CONTINENTAL BANK 08.01.8 REDEMPTION	14000-	8327 5600001		14 000.00	0.00
	TRANSACT. & BALANCE			28 000.00	28 000.00	0.00
526101	***** FID. DEPOSIT - RNB		US\$			
5 9	6.3125 R.N.B. 20/10/86 FIDUCIARY DEPOSIT	100000+	8018 5600001	100 000.00		100 000.00
12 9	5.2500 RNB NEW YORK CALL ON CALL	10000+	7438 5600001	10 000.00		110 000.00
20 10	6.3125 R.N.B. 20/10/86 REDEMPTION	100000-	8040 5600001		100 000.00	
20 10	R.N.B. 20.11.86					

GSE INVESTMENTS LTD.
HAMILTON, BERMUDDA

87 01 28 PAGE 4

4224 AH/SUB. A/C # 1 FROM 01 01 86 TO 31 12 86
LEDGER

A/C. NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
26101 FID. DEPOSIT - RNB FIDUCIARY DEPOSIT	100000+	8041 5600001	100 000.00	110 000.00	
10 11 5 2500 RNB NEW YORK CALL					
OFF CALL	10000-	8199 5600001	10 000.00	100 000.00	
20 11 R.N.B. 20.11.86					
REDEMPTION	100000-	8174 5600001	100 000.00	0.00	

TRANSACTION & BALANCE			210 000.00	210 000.00	0.00

26601 000000 FID. DEPOSIT - CREDIT SUISSE					US\$
5 3 6.1250 CALL CREDIT SUISSE	2000000+	5288 5600001	2 000 000.00	2 000 000.00	
10 4 ON CALL					
6.1250 CALL CREDIT SUISSE	250000-	6022 5600001	250 000.00	1 750 000.00	
14 4 OFF CALL					
6.1250 CALL CREDIT SUISSE	200000-	6032 5600001	200 000.00	1 550 000.00	
22 4 OFF CALL					
6.1250 CALL CREDIT SUISSE	450000+	6074 5600001	450 000.00	2 000 000.00	
20 6 ON CALL					
6.1250 CALL CREDIT SUISSE	634000-	6361 5600001	634 000.00	1 366 000.00	
23 6 OFF CALL					
6.1250 CALL CREDIT SUISSE	812000-	6374 5600001	812 000.00	554 000.00	
24 6 OFF CALL					
6.1250 CALL CREDIT SUISSE	250000-	6383 5600001	250 000.00	304 000.00	
24 7 OFF CALL					
6.1250 CALL CREDIT SUISSE	304000-	7107 5600001	304 000.00	0.00	

TRANSACTION & BALANCE			2 450 000.00	2 450 000.00	0.00

4224 AH/SUB. A/C # 1 FROM 01 01 86 TO 31 12 86
LEDGER

A/C. NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
526901 ***** FID. DEPOSIT - CIBC GENEVA	US\$				
TRANSACTION & BALANCE			0.00	0.00	0.00
550601 ***** SECURITIES - R.N.B.	US\$				
19 11 OUNCES - GOLD					
PURCHASE	100+ 8258	5600001	38 800.00		38 800.00
12 12 OUNCES - GOLD					
SALE	100- 8374	5600001		39 025.00	
12 12 OUNCES - GOLD					
GAIN		760601	225.00		0.00
TRANSACTION & BALANCE			39 025.00	39 025.00	0.00
550801 ***** SECURITIES - CAN. IMP. BK OF COMMER US\$					
24 7 7.7500 PRUDENTIAL FUNDING CO.					
PURCHASE	154000+	8005 5600001	153 037.50		
24 7 7.5000 SASKATCHEWAN					
PURCHASE	150000+	8006 5600001	147 937.50		300 975.00
4 9 7.5000 SASKATCHEWAN					
SALE	150000-	8009 5600001		149 625.00	
4 9 7.5000 SASKATCHEWAN					
GAIN		760801	1 687.50		153 037.50
17 12 7.7500 PRUDENTIAL FUNDING CO.					
SALE	154000-	8325 5600001		157 657.50	
17 12 7.7500 PRUDENTIAL FUNDING CO.					
GAIN		760801	4 620.00		0.00
30 12 6.4375 CIBC CERTIFICATES DEPOSIT					
PURCHASE	2127000+	8475 5600001	2 127 000.00		2 127 000.00
TRANSACTION & BALANCE	2127000+		2 434 282.50	307 282.50	2 127 000.00

4224 AH/SUB. A/C # 1 FROM 01 01 86 TO 31 12 86
 LEDGER

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
51401	***** SECURITIES - BEAR STEARNS		US\$		11 02955	
12 11	CITIZENS FINANCIAL GROUP INC					
	PURCHASE	1000+14100	5600001	37 838.03		37 838.03
17 12	CITIZENS FINANCIAL GROUP INC					
	SALE	1000-14101	5600001		37 762.70	
17 12	CITIZENS FINANCIAL GROUP INC					
	LOSS		761501		75.33	0.00
	TRANSACT. & BALANCE			37 838.03	37 838.03	0.00
51801	***** SECURITIES - MERRILL LYNCH		US\$			
	TRANSACT. & BALANCE			0.00	0.00	0.00
52212	***** SECURITIES - MORGAN STANLEY		MFK			
25 11	POHJOLA (NEWS) B					
	PURCHASE	2500+22026	5600012	212 678.56		212 678.56
22 12	POHJOLA (NEWS) B					
	SALE	2500-22030	5600012		187 500.00	
22 12	POHJOLA (NEWS) B					
	LOSS		762212		25 178.56	0.00
	TRANSACT. & BALANCE			212 678.56	212 678.56	0.00
52701	***** SECURITIES - STRAUSS TURNBULL		US\$			
16 6	12.8750 TEXACO CAPITAL INC					
	PURCHASE	90000+27056	5600001	92 700.00		
16 6	14.7500 UNION CARBIDE					
	PURCHASE	250000+27059	5600001	258 750.00		351 450.00
20 6	12.0000 GENERAL ELECTRIC					
	PURCHASE	250001	27057 5600001	283 750.00		635 200.00

CSF INVESTMENTS LTD.
 HAMILTON, BERMUDA 7

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
4224	AH/SUB. A/C # 1	FROM 01 01 86 TO 31 12 86				
	LEDGER					
552701	SECURITIES - STRAUSS TURNBULL					
23 6	12.0000 AMERICAN SAVINGS INT'L N		(SUITE)	11 02999		
1	7 8.1250 B.O.C. GROUP PLC	750000+27058	5600001	791 250.00		1 426 450.00
9 7	PURCHASE			92 250.00		1 518 700.00
	NEW ENGLAND LIFE MORTGAGE	100000+27064	5600001	155 687.50		1 674 387.50
1	9 12.8750 TEXACO CAPITAL INC	470000+27065	5600001			
	APORT. BDS PREM.	7443	#27JTEXA	1 350.00		1 673 037.50
16 9	1.0870 S.N.C.F. PART. PAID 15/9/	50000+27076	5600001	6 750.00		1 679 787.50
	PURCHASE					
15 12	14.7500 UNION CARBIDE	250000-	8356 5600001	257 500.00		
15 12	14.7500 UNION CARBIDE		762701	1 250.00		1 421 037.50
	LOSS					
19 12	12.0000 AMERICAN SAVINGS INT'L N	750000-27082	5600001	790 312.50		
19 12	12.0000 AMERICAN SAVINGS INT'L N		762701	937.50		
	LOSS					
19 12	12.8750 TEXACO CAPITAL INC	90000-27083	5600001	91 350.00		
	SALE					
19 12	1.0870 S.N.C.F. PART. PAID 15/9/	50000-27084	5600001	5 562.50		
	SALE					
19 12	1.0870 S.N.C.F. PART. PAID 15/9/		762701	1 187.50		
	LOSS					
19 12	NEW ENGLAND LIFE MORTGAGE	470000-27085	5600001	156 275.00		
19 12	NEW ENGLAND LIFE MORTGAGE		762701	587.50		
	GAIN					
19 12	8.1250 B.O.C. GROUP PLC	100000-27090	5600001	95 750.00		
19 12	8.1250 B.O.C. GROUP PLC		762701	3 500.00		
	GAIN					
19 12	12.0000 GENERAL ELECTRIC	250000-27096	5600001	286 875.00		
19 12	12.0000 GENERAL ELECTRIC		762701	3 125.00		0.00
	GAIN					

4224 AH/SUB A/C # 1 FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
52701	SECURITIES - STRAUSS TURNBULL (SUITE)					
	TRANSACT. & BALANCE			1 688 350.00	1 688 350.00	0.00
600001	***** CASH ACCOUNT					US\$
5 3	6.1250 CALL CREDIT SUISSE	2000000-	5288 661000K		2 000 000.00	2 000 000.00-
6 3	NEW FUNDS	5279	100001	1 990 000.00		10 000.00-
13 3	CALL INT.	5358	772201	3 055.56		6 944.44-
10 4	6.1250 CALL CREDIT SUISSE					
	OFF CALL	250000+	6022 661000K	250 000.00		243 055.56
14 4	CALL INT.		6049 772201	11 593.75		
14 4	6.1250 CALL CREDIT SUISSE	200000+	6032 661000K	200 000.00		454 649.31
16 4	CALL INT.		6084 772201	570.48		455 219.79
22 4	6.1250 CALL CREDIT SUISSE				450 000.00	
	ON CALL	450000-	6074 661000K			
22 4	CALL INT.		6116 772201	1 550.00		6 769.79
21 5	TR. FROM GULF		6218 100001	10 000.00		16 769.79
9 6	INTEREST		6309 772201	16 000.00		32 769.79
16 6	12.8750 TEXACO CAPITAL INC				92 700.00	
	PURCHASE	90000-	27056 271TEXA			
16 6	12.8750 TEXACO CAPITAL INC					
	ACCURED INT	90000-	27056 271TEXA		9 173.44	
16 6	14.7500 UNION CARBIDE				258 750.00	
	PURCHASE	250000-	27059 271UNCA			
16 6	14.7500 UNION CARBIDE					
	ACCURED INT	250000-	27059 271UNCA		4 609.37	
16 6	CALL INT.		6384 772201	2 333.32		330 129.70-
18 6	CALL INT.		6385 772201	666.66		329 463.04-
20 6	6.1250 CALL CREDIT SUISSE					
	OFF CALL	634000+	6361 661000K	634 000.00		
20 6	12.0000 GENERAL ELECTRIC					
	PURCHASE	250000-	27057 271GE		283 750.00	
20 6	12.0000 GENERAL ELECTRIC					

CSF INVESTMENTS LTD.

INCORPORATED IN CANADA

87 01 28 PAGE 9

4224 AH/SUB. A/C # 1 FROM 01 01 86 TO 31 12 86
LEDGER

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT						
	ACCRUED INT	250000-27057	27JGE			17 916.67	
20	6 CALL INT.	6386	772201		666.66		3 536.95
23	6 12 0000 AMERICAN SAVINGS INT'L N	750000-27058	27JMSA			791 250.00	
	PURCHASE						
23	6 12.0000 AMERICAN SAVINGS INT'L N	750000-27058	27JMSA			20 500.00	
	ACCRUED AINT						
23	6 6.1250 CALL CREDIT SUISSE	812000+ 6374	68J000K		812 000.00		3 786.95
24	6 6.1250 CALL CREDIT SUISSE						
	OFF CALL	250000+ 6383	66J000K		250 000.00		
24	6 CALL INT.	6414	772201		683.00		
24	6 CALL INT.	6414	772201		92.33		254 562.28
1	7 8.1250 B.O.C. GROUP PLC						
	PURCHASE	100000-27064	27JB0C			92 250.00	
1	7 8.1250 B.O.C. GROUP PLC						
	ACCRUED INT.	100000-27064	27JB0C		1 060.77		161 251.51
7	7 MGT FEES 2ND QUARTER 1986	7001	101001		2 481.98		158 769.53
9	NEW ENGLAND LIFE MORTGAGE						
	PURCHASE	470000-27065	27JNEWE			155 687.50	
16	7 CALL INTEREST	7084	772201		1 114.67		3 082.03
17	7 CALL INTEREST	7092	772201		47.50		4 196.70
22	7 CALL INTEREST	7118	772201		209.55		4 244.20
24	7 7.7500 PRUDENTIAL FUNDING CO.						
	PURCHASE	154000- 8005	08JPRU			153 037.50	
24	7 7.7500 PRUDENTIAL FUNDING CO.						
	ACCRUED INTEREST	154000- 8005	08JPRU		66.30		
24	7 7.5000 SASKATCHEWAN						
	PURCHASE	150000- 8006	08JSASK			147 937.50	
24	7 6.1250 CALL CREDIT SUISSE	304000+ 7107	66J000K		304 000.00		
24	7 OFF CALL	7132	772201		95.00		7 507.45
24	7 CALL INTEREST						
1	9 12.8750 TEXACO CAPITAL INC	900000+ 7443	27JTEXA		11 587.50		19 094.95
	CREDIT INTEREST						
4	9 7 5000 SASKATCHEWAN	150000+ 8009	08JSASK		149 625.00		
4	9 7 5000 SASKATCHEWAN						

CSF INVESTMENTS LTD.
 HAMILTON, BERMUDA

87 01 28 PAGE 10

 1224 A/H/SUB. A/C # 1 FROM 01 01 86 TO 31 12 86
 LEDGER

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
000001	CASH ACCOUNT		(SUITE)			
	ACCURED INTEREST	150000+	8009 08JSASK	1 250.00		169 969.95
5	7 0000 COSFIN BV INVESTMENT	50000-	3519 74JCS05		50 000.00	
5	6.3125 R.N.B. 20/10/86					
	FIDUCIARY DEPOSIT	100000-	8018 61J293A		100 000.00	19 969.95
12	9 5 2500 RNB NEW YORK CALL ON CALL	10000-	7438 61J3600		10 000.00	9 969.95
16	9 1.0870 S.N.C.F. PART. PAID 15/9/	50000-	27076 27JSNCF		6 750.00	
16	9 1.0870 S.N.C.F. PART. PAID 15/9/	50000-	27076 77JSNCF		1.51	3 218.44
7	10 CALL INTEREST	8029	772201	25.89		3 244.33
15	10 MGT FEES 3RD QUARTER 1986	8001	101001		3 744.75	500.42-
20	10 6.3125 R.N.B. 20/10/86					
	REDEMPTION	100000+	8040 61J293A	100 000.00		
20	10 INTEREST	8040	772201	778.25		
20	10 R.N.B. 20.11.86					
	FIDUCIARY DEPOSIT	100000-	8041 61J324B		100 000.00	277.83
3	11 CALL INTEREST	8193	772201	44.59		322.42
6	11 5.8750 CONTINENTAL BANK 08.12.8					
	FIDUCIARY DEPOSIT	14000-	8107 56J342A		14 000.00	13 677.58-
7	11 INTEREST COS5 5/9-31/10/86	4203	772301	536.99		13 140.59-
10	11 5.2500 RNB NEW YORK CALL OFF CALL	10000+	8199 61J3600	10 000.00		3 140.59-
12	11 CITIZENS FINANCIAL GROUP INC PURCHASE	1000-	14100 14C1TN		37 838.03	40 978.62-
15	11 12.0000 GENERAL ELECTRIC INTEREST	250000+	8171 27J6E	30 000.00		10 978.62-
19	11 OUNCES - GOLD PURCHASE	100-	8258 06ZPD6L		38 800.00	49 778.62-
20	11 R.N.B. 20.11.86					
	REDEMPTION	100000+	8174 61J324B	100 000.00		
20	11 INTEREST	8174	772201	488.35		50 709.73
25	11 MKF/US\$ AT 20.455	22026	101001	212 678.56-		7 206.33
28	11 DEPOSIT CIBC 5.375X	8056	570001		200 000.00	192 793.67-
8	12 5.8750 CONTINENTAL BANK 08.12.8					

CSF INVESTMENTS LTD.
 HAMILTON, B.H. TIMUDA

87 01 28 PAGE 11

05003

FROM 01 01 86 TO 31 12 86

 4224 AH/SUB. A/C # 1
 LEDGER

A/C. NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5600001 CASH ACCOUNT		(SUITE)			
REDEMPTION	14000+	8268 561342A	14 000.00		
8 12 INTEREST	8268	772201	73.11		
8 12 6.2500 CONTINENTAL BANK 08.01.8					
FIDUCIARY DEPOSIT	14000-	8269 561008A		14 000.00	192 720.56-
11 12 7.0000 COSFIN BV					
REDEMPTION	50000+	4436 741C0S5	50 000.00		
11 12 JC0S5 INT FROM 1/11/86	4436	772301	393.15		142 327.41-
12 12 OUNCES - GOLD					
SALE	100+	8374 06ZPDGL	39 025.00		103 302.41-
15 12 6.2500 CONTINENTAL BANK 08.01.8					
REDEMPTION	14000+	8327 561008A	14 000.00		
15 12 INTEREST	8327	772201	17.01		
15 12 14.7500 UNION CARBIDE					
SALE	250000+	8356 271UNCA	257 500.00		
15 12 14.7500 UNION CARBIDE					
CREDIT INTEREST	250000+	8356 271UNCA	23 354.17		191 568.77
17 12 7.7500 PRUDENTIAL FUNDING CO.					
SALE	154000+	8325 081PRU	157 657.50		
17 12 7.7500 PRUDENTIAL FUNDING CO.					
CREDIT INTEREST	154000+	8325 081PRU	4 807.15		
17 12 CITIZENS FINANCIAL GROUP INC					
SALE	1000+14101	14CITN	37 762.70		391 796.12
19 12 12.0000 AMERICAN SAVINGS INT'L N					
SALE	750000+	27082 271AMSA	790 312.50		
19 12 12.0000 AMERICAN SAVINGS INT'L N					
CREDIT INTEREST	750000+	27082 271AMSA	64 500.00		
19 12 12.8750 TEXACO CAPITAL INC					
SALE	90000+	27083 271TEXA	91 350.00		
19 12 12.8750 TEXACO CAPITAL INC					
CREDIT INTEREST	90000+	27083 271TEXA	3 476.25		
19 12 1.0870 S.N.C.F. PART. PAID 15/97					
SALE	50000+	27084 271SNCF	5 562.50		
19 12 1.0870 S.N.C.F. PART. PAID 15/97					
CREDIT INTEREST	50000+	27084 271SNCF	141.98		
19 12 NEW ENGLAND LIFE MORTGAGE					
SALE	470000+	27085 271NEWIE	156 275.00		

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

87 01 28 PAGE 12

6224 AH/SUB. A/C # 1 FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
600001	CASH ACCOUNT		(SUITE)			
19 12	8.1250 B.O.C. GROUP PLC SALE	100000+27090	27JBOC	95 750.00		
19 12	8.1250 B.O.C. GROUP PLC CREDIT INTEREST	100000+27090	27JBOC	4 852.43		11 03004
19 12	12.0000 GENERAL ELECTRIC SALE	250000+27096	27JGE	286 875.00		
19 12	12.0000 GENERAL ELECTRIC CREDIT INTEREST	250000+27096	27JGE	2 833.33		1 893 725.11
23 12	HKF/US\$ AT 4.909	8418	101001	187 500.00+		
23 12	MGT FEES 4TH QUARTER 86	8428	101001		3 711.21	1 928 209.05
30 12	6.4375 CIBC CERTIFICATES DEPOSIT PURCHASE	2127000-	8475 08JCD	200 942.96	2 127 000.00	
30 12	RBT DEPOSIT CIBC GENEVA		8480 570001		0.50	2 151.51
30 12	ADJ. ON INT.					
TRANSACT. & BALANCE				25 178.56-	7 232 671.94	7 230 520.43
600012	***** CASH ACCOUNT		HKF			
25 11	HKF/US\$ AT 20.455	22026	101012	43 503.40+	212 678.56	
25 11	POHJOLA (NEWS) B PURCHASE	2500-22026	22POHJ		212 678.56	0.00
22 12	POHJOLA (NEWS) B SALE	2500+22030	22POHJ	187 500.00		187 500.00
23 12	HKF/US\$ AT 4.909	8418	101012	38 195.15-		0.00
TRANSACT. & BALANCE				5 308.25+	400 178.56	400 178.56
70001	***** BLOCKED DEPOSIT ACCOUNT		US\$			
28 11	DEPOSIT CIBC 5.375X	8056	5600001	200 000.00		200 000.00
30 12	INT. CIBC 5.375% FM 28.11. TO 30.	8480	772201	942.46		
30 12	RBT DEPOSIT CIBC GENEVA	8480	5600001		200 942.96	
30 12	ADJ. ON INT.			0.50		0.00

CSF INVESTMENTS LTD.
HAMILTON, BERMUUDA

87 01 28 PROC 13

4224 AH/SUB, A/C # 1 FROM 01 01 86 TO 31 12 86
LEDGER

A/C, NAME & DESCRIPTION DOC. NO CONTRA DEBIT CREDIT BALANCE

570001 BLOCKED DEPOSIT ACCOUNT (SUITE)

TRANSACT. & BALANCE 200 942.96 200 942.96 0.00

03005

4224 AH750B, NYC # 1 FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
7	CHARGES		(SUITE)			
7	***** INCOME		US\$			
760801	***** REAL GAINS/LOSSES - R.N.B.		US\$			# 03007
12 12	OUNCES - GOLD					
	GAIN		06ZPDGL		225 00	225 00-
	TRANSACT. & BALANCE			0 00	225 00	225 00-
760801	***** REAL GAINS/LOSSES - CIRC		US\$			
4 9	7 5000 SASKATCHEWAN					
	GAIN		083SASK		1 687 50	1 687 50-
17 12	7 7500 PRUDENTIAL FUNDING CO					
	GAIN		08JPRU		4 620 00	6 307 50-
	TRANSACT. & BALANCE			0 00	6 307 50	6 307 50-
761401	***** REAL GAINS/LOSSES - BEAR STEARNS		US\$			
17 17	CITIZENS FINANCIAL GROUP INC					
	LOSS		SUIT	75 33		
	TRANSACT. & BALANCE			75 33	0 00	75 33-
762212	***** REAL GAINS/LOSSES - MORGAN STANLEY MFK					
22 12	POHJOLA (NEWS) B					
	LOSS		22P04J	25 178 56		25 178 56-
	TRANSACT. & BALANCE			25 178 56	0 00	25 178 56-

4224 AH/SUB A/C # 1 FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC NO.	CONTRA	DEBIT	CREDIT	BALANCE
62401	REAL GAINS/LOSSES - BEAR STEARNS		US\$			
	TRANSACTION & BALANCE			0.00	0.00	0.00
62701	REAL GAINS/LOSSES - STRAUSS TURNBU		US\$			
15 12 14	7500 UNION CARBIDE					
	LOSS		27JUNCA	1 250.00		1 250.00
19 12 12	0000 AMERICAN SAVINGS INT'L N					
	LOSS		27JANSA	937.50		
19 12 1	0870 S.N.C.F. PART PAID 15/9/					
	LOSS		27JSNCF	1 187.50		
19 12	NEW ENGLAND LIFE MORTGAGE					
	GAIN		27JNEWE		587.50	
19 12 8	1250 B.O.C. GROUP PLC					
	GAIN		27JB0C		3 500.00	
19 12 12	0000 GENERAL ELECTRIC					
	GAIN		27JGE		3 125.00	3 837.50-
	TRANSACTION & BALANCE			3 375.00	7 212.50	3 837.50-
71101	INTEREST EARNED ON BONDS		US\$			
16 6 12	8750 TEXACO CAPITAL INC					
	ACCRUED INT		90000*27056	9 173.44		
16 6 14	7500 UNION CARBIDE					
	ACCRUED INT		250000*27059	4 609.37		13 782.81
20 6 12	0000 GENERAL ELECTRIC					
	ACCRUED INT		250000*27057	17 916.67		31 699.48
23 6 12	0000 AMERICAN SAVINGS INT'L N					
	ACCRUED AINT		750000*27058	20 500.00		52 199.48
1 7 8	1250 B.O.C. GROUP PLC					
	ACCRUED INT		100000*27064	1 060.77		53 260.25
24 7 7	7500 PRUDENTIAL FUNDING CO.					
	ACCRUED INTEREST		15400*	66.30		53 326.55

CSF INVESTMENTS LTD.

AMOUNTS IN HUNDREDS
87 01 28 PAGE 17

4224 AH/SUB. A/C # 1
LEDGER

FROM 01 01 86 TO 31 12 86

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
771101	INTEREST EARNED ON BONDS		(SUITE)			
1 9 12	8750 TEXACO CAPITAL INC				11 587.50	43 089.05
	AMORT. BDS PREM.	7443 #		1 350.00		
1 9 12	8750 TEXACO CAPITAL INC	90000-7443	5600001			
4 9	7.5000 SASKATCHEWAN	150080-8009	5600001		1 250.00	41 839.05
16 9	1.0870 S.N.C.F. PART. PAID 15/97	50000+27076	5600001	1.51		41 840.56
15 11	12.0000 GENERAL ELECTRIC	250000-8171	5600001		30 000.00	11 840.56
15 12	14.7500 UNION CARBIDE	250000-8356	5600001		23 354.17	11 513.61-
17 12	7.7500 PRUDENTIAL FUNDING CO	154000-8325	5600001		4 807.15	16 320.76-
19 12	12.0000 AMERICAN SAVINGS INT'L N	750000-27682	5600001		64 500.00	
19 12	12.8750 TEXACO CAPITAL INC	90000-27083	5600001		3 476.25	
19 12	1.0870 S.N.C.F. PART. PAID 15/97	50000-27084	5600001		141.98	
19 12	8.1250 B.O.C. GROUP PLC	100000-27090	5600001		4 852.43	
19 12	12.0000 GENERAL ELECTRIC	250000-27096	5600001		2 833.33	92 124.75-
	CREDIT INTEREST					
	TRANSACT. & BALANCE	490000-		54 678.06	146 802.81	92 124.75-

771212 ***** DIVIDENDS MFK

TRANSACT. & BALANCE 0.00 0.00

CSF INVESTMENTS LTD.
 HAMILTON, BERMUDA
 87 01 28 PRICE 18

0224 AH/SUB. A/C # 1 FROM 01 01 86 TO 31 12 86
 LEDGER

V/C. NAME & DESCRIPTION DOC. NO. CONTRA DEBIT CREDIT BALANCE

72201 ***** INTEREST EARNED ON FTD		US\$	
13	3 CALL INT	5358 5600001	3 055.56-
14	4 CALL INT	6049 5600001	11 593.75
16	4 CALL INT	6084 5600001	570.48
22	4 CALL INT	6116 5600001	1 550.00
9	6 INTEREST	6309 5600001	16 000.00
16	6 CALL INT	6384 5600001	2 333.32
18	6 CALL INT	6385 5600001	666.66
20	6 CALL INT	6386 5600001	666.66
24	6 CALL INT	6414 5600001	683.00
24	6 CALL INT	6416 5600001	92.33
16	7 CALL INTEREST	7084 5600001	1 114.67
17	7 CALL INTEREST	7092 5600001	47.50
22	7 CALL INTEREST	7118 5600001	209.55
24	7 CALL INTEREST	7132 5600001	95.00
7	10 CALL INTEREST	8029 5600001	25.89
20	10 INTEREST	8040 5600001	778.25
3	11 CALL INTEREST	8193 5600001	44.59
20	11 INTEREST	8174 5600001	488.35
8	12 INTEREST	8268 5600001	73.11
15	12 INTEREST	8327 5600001	17.01
30	12 INT. CIBC 5.375% FH 28.11. TO 30.	8480 570001	942.46
TRANSACTION & BALANCE			41 048.14-

72301 ***** INCOME ON INVESTMENTS		US\$	
7	11 INTEREST COS5 5/9-31/10786	4203 5600001	536.99
11	12 ICOS5 INT FROM 1/11/786	4436 5600001	393.15
TRANSACTION & BALANCE			930.14-

TRANSACTION & BALANCE		US\$	
TRANSACTION & BALANCE			0.00
TRANSACTION & BALANCE			41 048.14-

FROM 01 01 86 TO 31 12 86

4224 AH/SUB. A/C # 1
LEDGER

A/C. NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
800 ***** DEBTOR BY GUARANTEE		US\$			
800001 ***** FORWAY DEBTOR GUARANTY		US\$			
28 11 GUARANTY ISSUED	8056	801001	200 000.00		200 000.00
30 12 GUARANTY CANCELLED	8480	801001		200 000.00	0.00
TRANSACT. & BALANCE			200 000.00	200 000.00	0.00
801 ***** GUARANTEE FURNISHED		US\$			
801001 ***** CIBC GUARANTY FURNISHED		US\$			
28 11 GUARANTY ISSUED	8056	800001		200 000.00	200 000.00
30 12 GUARANTY CANCELLED	8480	800001	200 000.00		0.00
TRANSACT. & BALANCE			200 000.00	200 000.00	0.00

H 03011

CSE INVESTMENTS LTD.
HAMILTON, BERMUUDA

87 01 28 PAGE 20

4224 AH/SUB A/C # 1 FROM 01 01 86 TO 31 12 86
LEDGER

A/C. NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
9			11 05012	

9 ***** TRANSIT ACCOUNTS US\$

*****			*****	
*****		15 708 215.84	15 708 215.84	0.00
*****		*****	*****	

GRAND TOTALS

FROM 01 01 87 TO 30 06 87

4.230 AH/SUB A/C # 2
LEDGER

BALANCE

CREDIT

DEBIT

DOC. NO. CONTRA

A/C NAME & DESCRIPTION

0.00

2 000 000 00

2 000 000 00

101001

TRANSIT ACCOUNTS

2 1

0.00

2 000 000 00

2 000 000 00

101001

TRANSACT & BALANCE

2 1

03013

0.00

2 000 000 00

2 000 000 00

101001

TRANSACT & BALANCE

2 1

0.00

75 582 53

23 673 23

78 557 14+

01001 ***** CAPITAL INVESTED

1 1

51 909 30-

2 000 000 00

3 796 16

390000-

1 1 BROUGHT FORWARD

1 1

2 051 909 30-

2 000 000 00

1 282 91

100001

1 1986 P/L NET BALANCE

2 1

2 048 113 14-

2 000 000 00

5001 5600001

6001 5600001

2 1 MGT FEES 4TH GAURTER 1986

30 1

2 046 830 23-

2 075 582 53

28 752 30

390000-

2 1 MGT FEES 1ST QUARTER 1987

21 4

2 046 830 23-

2 075 582 53

28 752 30

390000-

TRANSACT & BALANCE

2 1

0.00

78 557 14

78 557 14

16 561 74-

***** CAPITAL INVESTED

1 1

0.00

78 557 14

78 557 14

16 561 74-

TRANSACT & BALANCE

1 1

0.00

78 557 14

78 557 14

16 561 74-

TRANSACT & BALANCE

1 1

0.00

78 557 14

78 557 14

16 561 74-

TRANSACT & BALANCE

1 1

0.00

78 557 14

78 557 14

16 561 74-

TRANSACT & BALANCE

1 1

0.00

78 557 14

78 557 14

16 561 74-

TRANSACT & BALANCE

1 1

87 05 29 PAGE 2

FROM 01 01 87 TO 30 06 87

BALANCE

CREDIT

DEBIT

4.230 AH/SUB A/C # 2
LEDGER

A/C NAME & DESCRIPTION

DOC NO CONTRA

4230 AH/SUB A/C # 2 FROM 01 01 87 TO 30 06 87
 LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
5	***** ASSETS & LIABILITIES		US\$			
515301	***** LOANS RECEIVABLE		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
525601	***** FID DEPOSIT - CONTINENTAL BANK		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
526101	***** FID DEPOSIT - R N B		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
526601	***** FID DEPOSIT - CREDIT SUISSE		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
550601	***** SECURITIES - R N B		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
550801	***** SECURITIES - CAN IMP BK OF COMMER US\$					
1	BROUGHT FORWARD			2 037 000 00		2 037 000 00
8	SALE				2 037 000 00	
8	INTEREST - 0 30 03 87 AT 0 437				2 005 17	
8	REVERSAL			2 005 17		0 00
	TRANSACT & BALANCE			2 039 005 17	2 039 005 17	0 00

4.230 AH/SUB A/C # 2 FROM 01 01 87 TO 30 06 87
 LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
51801	***** SECURITIES - MERRILL LYNCH	US\$			
8 1	6 0000 EURO-CD TORONTO DOMINION PURCHASE 2030000+18001 5600001		2 030 000 00		2 030 000 00
8 4	6 0000 EURO-CD TORONTO DOMINION REDEMPTION 2030000-18002 5600001			2 030 000 00	
8 4	6 2500 MERRILL LYNCH 8/5/87		2 060 450 00		2 060 450 00
8 5	6 8750 MERRILL LYNCH 8/7/87		2 071 181 00		2 071 181 00
8 5	6 2500 MERRILL LYNCH 8/5/87 FIDUCIARY DEPOSIT 2071181+18005 5600001			2 060 450 00	2 071 181 00
	REDEMPTION 2060450-18004 5600001				
	TRANSACT & BALANCE 2071181+		6 161 631 00	4 090 450 00	2 071 181 00
5212	***** SECURITIES - MORGAN STANLEY	MFK			
	TRANSACT & BALANCE		0 00	0 00	0 00
52701	***** SECURITIES - STRAUSS TURNBULL	US\$			
	TRANSACT & BALANCE		0 00	0 00	0 00
56601	***** FID DEPOSIT - CREDIT SUISSE	US\$			
	TRANSACT & BALANCE		0 00	0 00	0 00
600001	***** CASH ACCOUNT	US\$			
1 1	BROUGHT FORWARD 143000+			78 557 14-	14 909 30
8 1	SALE 2037000+ 8475 08JCD		2 037 000 00		
8 1	INTEREST FM 30 1286 TO 08 01 8475 08JCD		3 278 29		

A/C	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
4230	AM/SUB A/C # 2 LEDGER	FROM 01 01 87 TO 30 06 87		87 05 29	PAGE 5
5600001	CASH ACCOUNT	(SUITE)			
8 1	INTEREST TO 30 03 87 AT 0.437	8475 08JCD	2 005 17		
8 1	6 0000 EURO-CD TORONTO DOMINION	2030000-18001 18JCDTO		2 030 000 00	
8 1	PURCHASE				
8 1	REVERSAL	8475 08JCD		2 005 17	
8 1	INTEREST TO 30 03 87 AT 0.43	8475 08JCD	2 005 17		27 192 76
30 1	MGT FEES 4TH QUARTER 1986	5001 101001		3 796 16	23 396 60
8 4	6 0000 EURO-CD TORONTO DOMINION				
8 4	REDEMPTION	2030000+18002 18JCDTO	2 030 000 00		
8 4	6 0000 EURO-CD TORONTO DOMINION				
8 4	INTEREST	2030000+18002 18JCDTO	30 450 00		
8 4	6 2500 MERRILL LYNCH 8/5/87				
21 4	FIDUCIARY DEPOSIT	2060450-18003 18J128A		2 060 450 00	23 396 60
8 5	MGT FEES 1ST QUARTER 1987	6001 101001		1 282 91	22 113 69
8 5	6 8750 MERRILL LYNCH 8/7/87				
8 5	FIDUCIARY DEPOSIT	2071181-18005 18J189A		2 071 181 00	
8 5	6 2500 MERRILL LYNCH 8/5/87				
8 5	REDEMPTION	2060450+18004 18J128A	2 060 450 00		
8 5	CREDIT INTEREST	2060450+18004 772201	10 731 52		
TRANSACT & BALANCE			78 557 14-	6 168 715 24	22 114 21
4199269+					
5600012	***** CASH ACCOUNT	MFK			
TRANSACT & BALANCE			0 00	0 00	0 00
570001	***** BLOCKED DEPOSIT ACCOUNT	US\$			
TRANSACT & BALANCE			0 00	0 00	0 00

41050 H

87 05 29 PAGE 6

FROM 01 01 87 TO 30 06 87

AH/SUB A/C # 2

LEDGER

DEBIT CREDIT BALANCE

4230

A/C NAME & DESCRIPTION

H 03018

87 05 29 PAGE 7

FROM 01 01 87 TO 30 06 87

AH/SUB A/C # 2
LEDGER

DEBIT CREDIT BALANCE

DOC NO CONTRA

US\$

6

CHARGES

US\$

673701

BANK CHARGES

0 00

US\$

TRANSACT & BALANCE

0 00

0 00

H 05019

4230 AH/SUB A/C # 2 FROM 01 01 87 TO 30 06 87
 LEDGER

A/C	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
/	***** INCOME	US\$		11 03020	
/60601	***** REAL GAINS/LOSSES - R. N. B.	US\$			
	TRANSACTION & BALANCE		0 00	0 00	0 00
/60801	***** REAL GAINS/LOSSES - CIBC	US\$			
	TRANSACTION & BALANCE		0 00	0 00	0 00
/62212	***** REAL GAINS/LOSSES - MORGAN STANLEY MFK				
	TRANSACTION & BALANCE		0 00	0 00	0 00
/62701	***** REAL GAINS/LOSSES - STRAUSS TURNBU US\$				
	TRANSACTION & BALANCE		0 00	0 00	0 00
/71101	***** INTEREST EARNED ON BONDS	US\$			
8 1	INTEREST FM 30 1286 TO 08 01	8475 5600001		3 278.29	
8 1	INTEREST TO 30 03 87 AT 0.43	8475 5600001		2 005.17	5 283.46-
8 4	6.0000 EURO-CD TORONTO DOMINION	2030000-18002 5600001		30 450.00	35 733.46-
	INTEREST				
	TRANSACTION & BALANCE	2030000-	0 00	35 733.46	35 733.46-

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
4230	AH/SUB A/C # 2 LEDGER	FROM 01 01 87 TO 30 06 87				9
771212	***** DIVIDENDS TRANSACT & BALANCE		MFK	0 00	0 00	0 00
772201	***** INTEREST EARNED ON FTD		US\$			
8 5	CREDIT INTEREST	2060450-18004	5600001		10 731 52	10 731 52
80	TRANSACT & BALANCE	2060450-		0 00	10 731 52	10 731 52
	***** CONTINGENT LIABILITIES		US\$			
800	***** DEBTOR BY GUARANTEE		US\$			
800001	***** REPUBLIC NATIONAL BANK, LUXEMBOURG		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00
801	***** GUARANTEE FURNISHED		US\$			
801001	***** RAINBOW STAR (USA)		US\$			
	TRANSACT & BALANCE			0 00	0 00	0 00

87 05 29 PAGE 10

FROM 01 01 87 TO 30 06 87

AH/SUB A/C # 2
LEDGER

4230

BALANCE

CREDIT

DEBIT

DOC NO CONTRA

A/C NAME & DESCRIPTION

US\$

TRANSIT ACCOUNTS

9

16 498 775 06 16 498 775 06

GRAND TOTALS

0 00

II 03022

4730 A/R/SUB A/C # 2 FROM 01 01 86 TO 31 12 86
LEDGER

A/C NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
TRANSIT ACCOUNTS	(SUITE)			
***** CAPITAL	US\$		11 050.3	

100001 ***** CAPITAL CONTRIBUTIONS/WITHDRAWALS	US\$			
20 6 NEW FUNDS	6332 5600001	2 000 000.00		2 000 000.00-

TRANSACT. & BALANCE -----
0.00 2 000 000.00 2 000 000.00-

101001 ***** CAPITAL INVESTED	US\$			
30 7 6.1250 CALL CREDIT SUISSE	390000-			
ADJ. QTY	661000K	0.00		0.00
15 10 MGT FEES 3RD QUARTER 1986	8001 5600001	3 759.98		3 759.98
25 11 HKF/US\$ AT 20.455	22026 5600001	663 557.14+		139 490.59
23 12 HKF/US\$ AT 4.909	8418 5600001	135 730.61		
23 12 MGT FEES 4TH QUARTER 86	8428 5600001	119 168.87		
		3 351.51		23 673.23

TRANSACT. & BALANCE -----
78 557.14+ 142 842.10 119 168.87 23 673.23

101012 ***** CAPITAL INVESTED	HK\$			
25 11 HKF/US\$ AT 20.455	22026 5600012	135 730.61-		663 557.14-
23 12 HKF/US\$ AT 4.909	8418 5600012	119 168.87+		78 557.14-

TRANSACT. & BALANCE -----
16 561.74- 585 000.00 663 557.14 78 557.14-

FROM 01 01 86 TO 31 12 86

4230 RH7SUB. A/C # Z
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
5	ASSETS & LIABILITIES	US\$			
515301	LOANS RECEIVABLE	US\$		11 03025	
	TRANSACTION & BALANCE		0.00	0.00	0.00
525601	FID. DEPOSIT - CONTINENTAL BANK	US\$			
6 11	5.8750 CONTINENTAL BANK 08.12.8				
	FIDUCIARY DEPOSIT	152000+	8107 5600001		152 000.00
8 12	5.8750 CONTINENTAL BANK 08.12.8				
	REDEMPTION	152000-	8268 5600001	152 000.00	
8 12	6.2500 CONTINENTAL BANK 08.01.8				
	FIDUCIARY DEPOSIT	154044+	8269 5600001	154 044.44	154 044.44
15 12	6.2500 CONTINENTAL BANK 08.01.8				
	REDEMPTION	154044-	8327 5600001	154 044.44	0.00
	TRANSACTION & BALANCE		306 044.44	306 044.44	0.00
526101	FID. DEPOSIT - R.N.B.	US\$			
20 11	R.N.B. 22.12.86				
	FIDUCIARY DEPOSIT	500000+	8200 5600001	500 000.00	
20 11	R.N.B. 22.12.86				
	REVERSAL	500000-	8200 5600001	500 000.00	
20 11	R.N.B. 22.12.86				
	FIDUCIARY DEPOSIT	502441+	8200 5600001	502 441.78	502 441.78
15 12	R.N.B. 22.12.86				
	REDEMPTION	502441-	8330 5600001	502 441.78	0.00
	TRANSACTION & BALANCE		1 002 441.78	1 002 441.78	0.00

CSF INVESTMENTS LTD.
HAMILTON, BERMUUDA

87 01 28 PAGE 4

4230 AH/SUB. A/C # 2 FROM 01 01 86 TO 31 12 86
LEDGER

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
26601	***** FID. DEPOSIT - CREDIT SUISSE	US\$			11 00026	
18 6	6.1250 CALL CREDIT SUISSE	2000000+	6339 5600001	2 000 000.00		2 000 000.00
24 7	6.1250 CALL CREDIT SUISSE	950000-	7107 5600001		950 000.00	1 050 000.00
30 7	6.1250 CALL CREDIT SUISSE	390000+	101001	0.00		
30 7	6.1250 CALL CREDIT SUISSE		7125 5600001	390 000.00		1 440 000.00
5 9	6.1875 CREDIT SUISSE 05.11.86			140 000.00		1 580 000.00
24 9	FIDUCIARY DEPOSIT	140000+	8017 5600001			
30 7	6.1250 CALL CREDIT SUISSE				700 000.00	880 000.00
5 11	6.1875 CREDIT SUISSE 05.11.86			140 000.00		740 000.00
12 11	6.1250 CALL CREDIT SUISSE	740000-	8151 5600001		740 000.00	0.00
TRANSACTION & BALANCE						
				2 530 000.00	2 530 000.00	0.00
50601	***** SECURITIES - R.N.B.	US\$				
21 11	OUNCES - GOLD					
12 12	PURCHASE	250+	8258 5600001	96 250.00		96 250.00
12 12	OUNCES - GOLD					
12 12	SALE	250-	8374 5600001		97 562.50	
12 12	OUNCES - GOLD					
				1 312.50		0.00
TRANSACTION & BALANCE						
				97 562.50	97 562.50	0.00

4230 AH/SUB. A/C # 2 FROM 01 01 86 TO 31 12 86
 LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
550801	***** SECURITIES - CAN. IMP. BK OF COMMER US\$				11 05027	
24 7	7.7500 PRUDENTIAL FUNDING CO. PURCHASE	200000+	8005 5600001	198 750.00		
24 7	7.5000 SASKATCHEWAN PURCHASE	350000+	8006 5600001	345 187.50		543 937.50
4 9	7.5000 SASKATCHEWAN SALE	350000-	8009 5600001		349 125.00	
4 9	7.5000 SASKATCHEWAN GAIN		760801	3 937.50		198 750.00
17 12	7.7500 PRUDENTIAL FUNDING CO. SALE	200000-	8325 5600001	204 750.00		
17 12	7.7500 PRUDENTIAL FUNDING CO. GAIN		760801	6 000.00		0.00
30 12	6.4375 CIBC CERTIFICATES DEPOSIT PURCHASE	2037000+	8475 5600001	2 037 000.00		2 037 000.00
TRANSACT. & BALANCE				2 590 875.00	553 875.00	2 037 000.00
551801	***** SECURITIES - MERRILL LYNCH		US\$			
TRANSACT. & BALANCE				0.00	0.00	0.00
552212	***** SECURITIES - MORGAN STANLEY		PFK			
25 11	POHJOLA (NEWS) B PURCHASE	7800+22026	5600012	663 557.14		663 557.14
22 12	POHJOLA (NEWS) B SALE	7800-22030	5600012		585 000.00	
22 12	POHJOLA (NEWS) B LOSS		762212	78 557.14		0.00
TRANSACT. & BALANCE				663 557.14	663 557.14	0.00

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA 6

4230 PAH/SUB. A/C # 2 FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
52701	##### SECURITIES - STRAUSS TURNBULL		US\$			11 03028
10 9	9.0000 R.H.M. OVERSEAS FINANCE					
	PURCHASE	136500+27075	5600001	136 500.00		136 500.00
26 9	12.0000 BANK OF AMERICA					
	PURCHASE	100000+27077	5600001	101 000.00		237 500.00
19 12	9.0000 R.H.M. OVERSEAS FINANCE					
	SALE	1500-	8342 5600001		1 507.50	
19 12	9.0000 R.H.M. OVERSEAS FINANCE					
	GAIN		762701	7.50		
19 12	12.0000 BANK OF AMERICA					
	SALE	100000-27089	5600001		101 000.00	
19 12	9.0000 R.H.M. OVERSEAS FINANCE					
	SALE	135000-	27093 5600001		135 675.00	
19 12	9.0000 R.H.M. OVERSEAS FINANCE					
	GAIN		762701	675.00		0.00
TRANSACTION & BALANCE				238 182.50	238 182.50	0.00
56601	##### FID. DEPOSIT - CREDIT SUISSE		US\$			
TRANSACTION & BALANCE				0.00	0.00	0.00
600001	##### CASH ACCOUNT		US\$			
18 6	6.1250 CALL CREDIT SUISSE					
	DN CALL	2000000-	6339 661000K	2 000 000.00	2 000 000.00	2 000 000.00-
20 6	NEW FUNDS		6332 100001			
20 6	CALL INT.		6386 772201	666.66		666.66
24 6	CALL INT.		6414 772201	1 000.00		
24 6	CALL INT.		6414 772201	333.37		2 000.03
17 7	CALL INTEREST		7084 772201	7 333.33		9 333.36
17 7	CALL INTEREST		7092 772201	312.50		9 645.86
22 7	CALL INTEREST		7118 772201	1 378.68		11 024.54

4230 AH/SUB. A/C # 2 FROM 01 01 86 TO 31 12 86
LEDGER

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5800001	CASH ACCOUNT		(SUITE)			
24 7	7 7500 PRUDENTIAL FUNDING CO. PURCHASE	200000-	8005 08JPRU		198 750.00	03029
24 7	ACCRUED INTEREST	200000-	8005 08JPRU		86.14	
24 7	5000 SASKATCHEWAN PURCHASE	350000-	8006 08JSASK		345 187.50	
24 7	6.1250 CALL CREDIT SUISSSE	950000+	7107 63J000K	950 000.00		
24 7	OFF CALL		7132 772201	624.99		417 625.89
30 7	6.1250 CALL CREDIT SUISSSE				390 000.00	
30 7	ON CALL		7125 63J000K			
30 7	CALL INTEREST		7159 772201	984.38		28 610.27
7 8	CALL INTEREST		7205 772201	1 800.00		30 410.27
25 8	CALL INTEREST		1440000+ 7276 772201	3 870.00		34 280.27
4 9	7 5000 SASKATCHEWAN					
4 9	SALE	350000+	8009 08JSASK	349 125.00		
4 9	7 5000 SASKATCHEWAN					
5 9	ACCRUED INTEREST	350000+	8009 08JSASK	2 916.67		386 321.94
5 9	6.1875 CREDIT SUISSSE 05.11.86					
10 9	FIDUCIARY DEPOSIT	140000-	8017 66J309A		140 000.00	246 321.94
10 9	9 0000 R. H. M. OVERSEAS FINANCE					
10 9	PURCHASE	134500-	27075 27JRHM		136 500.00	
10 9	9 0000 R. H. M. OVERSEAS FINANCE					
10 9	ACCRUED INTEREST	136500-	27075 27JRHM		853.12	108 968.82
24 9	6.1250 CALL CREDIT SUISSSE					
24 9	OFF CALL	700000+	7416 66J000K	700 000.00		808 968.82
26 9	TRANSFER TO BLOCKED DEPOSIT ACCOU		7416 #	700 000.00		
26 9	CANCEL ENTRY				700 000.00	
26 9	BLOCK DEP. AT 8% MAT 26.3.87		741600 570001		700 000.00	
26 9	12 0000 BANK OF AMERICA					
26 9	PURCHASE	100000-	27077 27JBOA		101 000.00	
26 9	12 0000 BANK OF AMERICA					
26 9	ACCRUED INTEREST	100000-	27077 27JBOA		5 366.66	2 602.16
14 10	CALL INTEREST		8047 772201	8 055.55		10 657.71
15 10	MGT FEES 3RD QUARTER 1986		8001 101001		3 759.98	6 897.73
5 11	INTEREST					
5 11	6.1875 CREDIT SUISSSE 05.11.86		8102 772201	1 349.20		

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA
87 01 28 PAGE 8

4230 RH/SUB. A/C # 2 FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
600001	CASH ACCOUNT (SUITE)				
	REDEMPTION	140000+ 8102 66J309A	140 000.00	03030	148 246.93
6 11	5.8750 CONTINENTAL BANK 08.12.8				
	FIDUCIARY DEPOSIT	152000- 8107 56J342A		152 000.00	3 753.07-
12 11	6.1250 CALL CREDIT SUISSE				
	OFF CALL	740000+ 8151 66J000K	740 000.00		739 152.97
12 11	CALL INTEREST	8151 772201	2 906.04		
20 11	R.N.B. 22.12.86				
	FIDUCIARY DEPOSIT	500000- 8200 61J356C		500 000.00	
20 11	REVERSAL	500000+ 8200 61J356C	500 000.00		
20 11	R.N.B. 22.12.86				
	FIDUCIARY DEPOSIT	502441- 8200 61J356C		502 441.78	236 711.19
21 11	OUNCES - GOLD				
	PURCHASE	250- 8258 06ZPDGL	96 250.00		140 461.19
25 11	PKF705\$ AT 20.455	22026 101001	663 557.14-	135 730.61	4 730.38
8 12	5.8750 CONTINENTAL BANK 08.12.8				
	REDEMPTION	152000+ 8268 56J342A	152 000.00		
8 12	INTEREST	8268 772201	793.77		
8 12	6.2500 CONTINENTAL BANK 08.01.8				
	FIDUCIARY DEPOSIT	154044- 8269 56J008A		154 044.44	3 479.91
12 12	OUNCES - GOLD				
	SALE	250+ 8374 06ZPDGL	97 562.50		101 042.41
15 12	6.2500 CONTINENTAL BANK 08.01.8				
	REDEMPTION	154044+ 8327 56J008A	154 044.44		
15 12	INTEREST	8327 772201	187.20		
15 12	R.N.B. 22.12.86				
	REDEMPTION	502441+ 8330 61J356C	502 441.78		759 773.77
15 12	FTD. 356C INT	8330 772201	2 057.94		
17 12	7.7500 PRUDENTIAL FUNDING CO.				
	SALE	200000+ 8325 08JPRU	204 750.00		
17 12	7.7500 PRUDENTIAL FUNDING CO.				
	CREDIT INTEREST	200000+ 8325 08JPRU	6 243.06		970 766.83
19 12	9.0000 R.H.M. OVERSEAS FINANCE				
	SALE	1500+ 8342 27JRHM	1 507.50		
19 12	9.0000 R.H.M. OVERSEAS FINANCE				
	CREDIT INTEREST	1500+ 8342 27JRHM	46.50		

CSF INVESTMENTS LTD.
HAMILTON, BERMUUDA
8/01/28 PAGE 9

4230 AH/SUB. A/C # 2 FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5800001	CASH ACCOUNT					
19 12	12.0000 BANK OF AMERICA SALE	100000+27089	27JBOA	101 000.00		
19 12	12.0000 BANK OF AMERICA CREDIT INTEREST	100000+27089	27JBOA	8 133.34		
19 12	9.0000 R.H.M. OVERSEAS FINANCE SALE	135000+27093	27JRAH	135 675.00		
19 12	9.0000 R.H.M. OVERSEAS FINANCE CREDIT INTEREST	135000+27093	27JRAH	4 185.00		1 221 314.17
23 12	MKT7US\$ AT 4.909	8418	101011	119 168.87		
23 12	MGT FEES 4TH QUARTER 86	8428	101001			
30 12	6.4375 CIBC CERTIFICATES DEPOSIT PURCHASE	2037000-	8475 08JCD	2 037 000.00		1 337 131.53
30 12	REDEMPTION		8481 570001	714 777.77		14 909.30
TRANSACTION & BALANCE				78 557.14-	8 317 231.04	8 302 321.74
5800012	***** CASH ACCOUNT					
25 11	MKT7US\$ AT 20.455	22026	101012	135 730.61+		
25 11	POHJOLA (NEWS) B PURCHASE	7800-	22026 22POHJ	663 557.14		0.00
22 12	POHJOLA (NEWS) B SALE	7800+22030	22POHJ	585 000.00		585 000.00
23 12	MKT7US\$ AT 4.909	8418	101012	119 168.87-		0.00
TRANSACTION & BALANCE				16 561.74+	1 248 557.14	1 248 557.14
570001	***** BLOCKED DEPOSIT ACCOUNT					
26 9	BLOCK DEP. AT 8 % MAT.	7416	85600001	700 000.00		
26 9	CANCEL ENTRY	5600001				
26 9	BLOCK DEP. AT 8% MAT.	741600	5600001	700 000.00		700 000.00
30 12	INT. DEPOSIT 8% PM	8481	772201	14 777.77		
30 12	REDEMPTION		8481 5600001	714 777.77		0.00

CSF INVESTMENTS LTD.
HAMILTON, BERMUUDA

87 01 28 PAGE 10

4230 AM/SUB. A/C # 2 FROM 01 01 86 TO 31 12 86
LEDGER

A/C. NAME & DESCRIPTION DOC. NO CONTRA DEBIT CREDIT BALANCE

70001 BLOCKED DEPOSIT ACCOUNT (SUITE)

TRANSACT. & BALANCE
-----1-05032
1 414 777.77 1 414 777.77 0.00



CSF INVESTMENTS LTD.
HAMILTON, BERMUDEA
87 01 28 PAGE 12

FROM 01 01 86 TO 31 12 86					
1/3	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
0230	AR7SUB. A7C # 2 LEDGER				
	000000 INCOME				11 03034
0601	000000 REAL. GAINS/LOSSES - R.N.B.				US\$
12 12	DUNCES - GOLD GAIN	06ZP06L		1 312.50	1 312.50-
	TRANSACT. & BALANCE		0.00	1 312.50	1 312.50-
0801	000000 REAL. GAINS/LOSSES - CIBC				US\$
4 9	7.5000 SASKATCHEWAN GAIN	081SASK		3 937.50	3 937.50-
17 12	7.7500 PRUDENTIAL FUNDING CO. GAIN	081PKU		6 000.00	9 937.50-
	TRANSACT. & BALANCE		0.00	9 937.50	9 937.50-
62212	000000 REAL. GAINS/LOSSES - MORGAN STANLEY MFK				
22 12	POHJOLA (NEWS) B LOSS	22POHJ	78 557.14		78 557.14
	TRANSACT. & BALANCE		78 557.14	0.00	78 557.14
62701	000000 REAL. GAINS/LOSSES - STRAUSS TURNBU US\$				
19 12	9.0000 R.H.M. OVERSEAS FINANCE GAIN	27JRM		7.50	
19 12	9.0000 R.H.M. OVERSEAS FINANCE GAIN	27JRM		675.00	682.50-

CSF INVESTMENTS LTD.

87-01-28 PAGE 13

 4230 AH/SUB. A/C # 2 FROM 01 01 86 TO 31 12 86
 LEDGER

A/C.	NAME & DESCRIPTION	DOC. NO	CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
762701	REAL. GAINS/LOSSES - STRAUSS TU						
	TRANSACTION & BALANCE				0.00	682.50	682.50-
771101	INTEREST EARNED ON BONDS		US\$			11 03035	
24 7	7.7500 PRUDENTIAL FUNDING CO.						
	ACCURED INTEREST	200000+	8005 5600001		86.14		86.14
4 9	7.5000 SASKATCHEWAN						
	ACCURED INTEREST	350000-	8009 5600001		2 916.67		2 830.53-
10 9	9.0000 R.H.H. OVERSEAS FINANCE						
	ACCURED INTEREST	136500+	27075 5600001		853.12		1 977.41-
26 9	12.0000 BANK OF AMERICA						
	ACCURED INTEREST	100000+	27077 5600001		5 366.66		3 389.25
17 12	7.7500 PRUDENTIAL FUNDING CO.						
	CREDIT INTEREST	200000-	8325 5600001		6 243.06		2 853.81-
19 12	9.0000 R.H.H. OVERSEAS FINANCE						
	CREDIT INTEREST	1500-	8342 5600001		46.50		
19 12	12.0000 BANK OF AMERICA						
	CREDIT INTEREST	100000-	27089 5600001		8 133.34		
19 12	9.0000 R.H.H. OVERSEAS FINANCE						
	CREDIT INTEREST	135000-	27093 5600001		4 185.00		15 218.65-
	TRANSACTION & BALANCE	350000-			6 305.92	21 524.57	15 218.65-
771212	DIVIDENDS		PFK				
	TRANSACTION & BALANCE				0.00	0.00	0.00
772201	INTEREST EARNED ON FTD		US\$				
20 6	CALL INT.	6386	5600001			666.66	666.66-
24 6	CALL INT.	6414	5600001			1 000.00	
24 6	CALL INT.	6414	5600001			333.37	2 000.03-
16 7	CALL INTEREST	7084	5600001			7 333.33	9 333.36-
17 7	CALL INTEREST	7092	5600001			312.50	9 645.86-

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA
87 01 28 PAGE 14

4230 AHZSUB. A/C # 2 FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	CREDIT	BALANCE
				049103036	
72201	INTEREST EARNED ON FTD		(SUITE)		
22 7	CALL INTEREST	7118	5600001	1 378.68	11 024.54-
24 7	CALL INTEREST	7132	5600001	824.99	11 649.53-
30 7	CALL INTEREST	7159	5600001	984.38	12 633.91-
7 8	CALL INTEREST	7205	5600001	1 800.00	14 433.91-
25 8	CALL INTEREST	1440000-	7276 5600001	3 870.00	18 303.91-
14 10	CALL INTEREST	8047	5600001	8 055.55	26 359.46-
5 11	INTEREST	8102	5600001	1 319.20	27 708.66-
12 11	CALL INTEREST	8151	5600001	2 906.04	30 614.70-
8 12	INTEREST	8268	5600001	793.77	31 408.47-
15 12	INTEREST	8327	5600001	187.20	
15 12	FTD 256C INT	8330	5600001	2 057.94	33 653.61-
30 12	INT. DEPOSIT BX FM 26.09.86	8681	5700001	14 777.77	48 431.38-
	TRANSACTION BALANCE		1440000-	0.00	48 431.38
0	CONTINGENT LIABILITIES				
00	DEBTOR BY GUARANTEE				
00001	REPUBLIC NATIONAL BANK, LUXEMBOURG			700 000.00	700 000.00
26 9	GUARANTEE	7416	801001		700 000.00
30 12	GUARANTY CANCELLED	8481	801001		0.00
	TRANSACTION BALANCE			700 000.00	0.00
01	GUARANTEE FURNISHED				
01001	RAINBOW STAR (USA)				
26 9	GUARANTEE	7416	800001	700 000.00	700 000.00

AH/SUB. A/C # 3	FROM 01 01 87 TO 30 06 87	87 05 29	PAGE
A/C. NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT
9 TRANSIT ACCOUNTS	(SUITE)		
1 ***** CAPITAL	US\$		
100001 ***** CAPITAL CONTRIBUTIONS/WITHDRAWALS	US\$		
1 1 BROUGHT FORWARD		200 000 00	200 000 00
2 1 TRANSFER	101001	0 00	0 00

TRANSACT & BALANCE		200 000 00	200 000 00
101001 ***** CAPITAL INVESTED	US\$		
1 1 BROUGHT FORWARD		50 769 06	
1 1 1986 P/L NET BALANCE			7 915 18
2 1 TRANSFER	100001		200 000 00
30 1 MGT FEES 4TH GAURTER 1986	5001 5600001	388 64	157 146 12
21 4 MGT FEES 1ST QUARTER 1987	6001 5600001	98 22	156 757 48

TRANSACT & BALANCE		51 255 92	207 915 18
101012 ***** CAPITAL INVESTED	MFK		
TRANSACT & BALANCE		0 00	0 00

ii 03039

A/C	AH/SUB A/C # 3 LEDGER	FROM 01 01 87 TO 30 06 87	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5	***** ASSETS & LIABILITIES	US\$				
526101	***** FID DEPOSIT - RNB	US\$				
	TRANSACT & BALANCE			0 00	0 00	0 00
526601	***** FID DEPOSIT - CREDIT SUISSE	US\$				
	TRANSACT & BALANCE			0 00	0 00	0 00
550601	***** SECURITIES - R N B	US\$				
	TRANSACT & BALANCE			0 00	0 00	0 00
550801	***** SECURITIES - CAN IMP BK OF COMMER US\$					
1	BROUGHT FORWARD	157000+		157 000 00		157 000 00
8	SALE	157000 - 8475 5600001			157 000 00	
8	INTEREST TO 30 03 87 AT 0 437	8475 5600001			154 55	
8	REVERSAL	8475 5600001		154 55		0 00
	TRANSACT & BALANCE			157 154 55	157 154 55	0 00
551401	***** SECURITIES - BEAR STEARNS	US\$				
	TRANSACT & BALANCE			0 00	0 00	0 00

H 03040

87 05 29 PAGE 2

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
4231	AH/SUB A/C # 3 LEDGER	FROM 01 01 87 TO 30 06 87			3
551801	***** SECURITIES - MERRILL LYNCH	US\$		H 03041	
8 1	6 0000 EURO-CD TORONTO DOMINION PURCHASE 155000+18001 5600001		155 000 00		155 000.00
8 4	6 0000 EURO-CD TORONTO DOMINION REDEMPTION 155000-18002 5600001			155 000.00	
8 4	6 2500 MERRILL LYNCH 8/5/87 FIDUCIARY DEPOSIT 157325+18003 5600001		157 325 00		157 325.00
8 5	6 8750 MERRILL LYNCH 8/7/87 FIDUCIARY DEPOSIT 158144+18005 5600001		158 144 00		
8 5	6 2500 MERRILL LYNCH 8/5/87 REDEMPTION 157325-18004 5600001			157 325 00	158 144.00
TRANSACT & BALANCE 158144+			470 469.00	312 325 00	158 144.00
552212	***** SECURITIES - MORGAN STANLEY	MPK			
TRANSACT & BALANCE			0.00	0.00	0.00
556601	***** FID. DEPOSIT - CREDIT SUISSE	US\$			
TRANSACT & BALANCE			0.00	0.00	0.00
5600001	***** CASH ACCOUNT	US\$			
1 1	BROUGHT FORWARD	77000-			
8 1	SALE	157000+ 8475 08JCD	146 12		146 12
8 1	INTEREST FM 30 1286 TO 08 01	8475 08JCD	157 000.00		
8 1	INTEREST TO 30 03 87 AT 0 437	8475 08JCD	252 68		
8 1	6 0000 EURO-CD TORONTO DOMINION	8475 08JCD	154.55		
8 1	PURCHASE 155000-18001 18JCDTO			155 000 00	

FROM 01 01 87 TO 30 06 87

4.231 AH/SUB A/C # 3
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT	(SUITE)			
	REVERSAL	8475 083CD		154 55	
8 1	INTEREST TO 30 03 87 AT 0.43	8475 083CD	154 55		2 553 35
30 1	MGT FEES 4TH QUARTER 1986	5001 101001		388 64	2 164 71
8 4	6 0000 EURO-CD TORONTO DOMINION	155000+18002 183CDTO	155 000 00		
8 4	6 0000 EURO-CD TORONTO DOMINION	155000+18002 183CDTO	2 325 00		
8 4	6 2500 MERRILL LYNCH 8/5/87	157325-18003 183128A		157 325 00	2 164 71
21 4	FIDUCIARY DEPOSIT	6001 101001		98 22	2 066 49
8 5	6 8750 MERRILL LYNCH 8/7/87	158144-18005 183189A		158 144 00	
8 5	6 2500 MERRILL LYNCH 8/5/87	157325+18004 183128A	157 325 00		2 066 89
8 5	REDEMPTION	157325+18004 772201	819 40		
8 5	CREDIT INTEREST				

473 177 30 471 110 41

TRANSACT & BALANCE 234181+

600012 ***** CASH ACCOUNT MFK

TRANSACT & BALANCE 0 00 0 00 0 00

H 03042

4231 AH/SUB A/C # 3
LEDGER

87 05 29 PAGE 5

FROM 01 01 87 TO 30 06 87

A/C NAME & DESCRIPTION

DEBIT CREDIT BALANCE

6 ***** CHARGES

H 03043

673701 ***** BANK CHARGES

TRANSACTION & BALANCE

0 00 0 00 0 00

FROM 01 01.87 TO 30 06 87

4.231 AH/SUB A/C # 3
LEDGER

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
7	***** INCOME	US\$			
760601	***** REAL GAINS/LOSSES - R N B	US\$			
	TRANSACTION & BALANCE		0 00	0 00	0 00
760801	***** REAL GAINS/LOSSES - CIBC	US\$			
	TRANSACTION & BALANCE		0 00	0 00	0 00
761401	***** REAL GAINS/LOSSES - BEAR STEARNS	US\$			
	TRANSACTION & BALANCE		0 00	0 00	0 00
762212	***** REAL GAINS/LOSSES - MORGAN STANLEY MFK				
	TRANSACTION & BALANCE		0 00	0 00	0 00
71101	***** INTEREST EARNED ON BONDS	US\$			
8 1	INTEREST FM 30 1286 TO 08 01	8475 5600001		252 68	
8 1	INTEREST TO 30 03 87 AT 0.43	8475 5600001		154 55	407 23-
8 4	6 0000 EURO-CD TORONTO DOMINION	155000-18002 5600001		2 325 00	2 732 23-
	INTEREST				
	TRANSACTION & BALANCE	155000-	0 00	2 732 23	2 732 23-

H 03044

FROM 01 01 87 TO 30 06 87

AH/SUB A/C # 3
LEDBR

1231

DEBIT CREDIT BALANCE

DOC NO CONTRA

NAME & DESCRIPTION

A/C

US\$

TRANSIT ACCOUNTS *****

6

*****	*****	0 00
1 352 056 77	1 352 056 77	
*****	*****	

GRAND TOTALS

H 03045

4231 AH/SUB A/C # 3 FROM 01 01 87 TO 30 06 87 87 05 29 PAGE 7
 LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
771212	***** DIVIDENDS		MFK		H 03046	
	TRANSACTION & BALANCE			0 00	0 00	0 00
772201	***** INTEREST EARNED ON FTD		US\$			
8 5	CREDIT INTEREST	157325-18004	5600001		819 40	819 40
	TRANSACTION & BALANCE	157325-		0 00	819 40	819 40

CSF INVESTMENTS LTD.
REGISTRATION PERMUDA

4231 AM/SUB - A/C # 3
 LEDGER

FROM 01-01-86 TO 31-12-86

A/C	NAME & DESCRIPTION	DOC. NO. CONTRA	DEBIT	CREDIT	BALANCE
1	***** CAPITAL	US\$			
100001	***** CAPITAL CONTRIBUTIONS/WITHDRAWALS	US\$			
20	6 NEW FUNDS	6332 5400001		200 000.00	200 000.00
	TRANSACTION & BALANCE		0.00	200 000.00	200 000.00
101001	***** CAPITAL INVESTED	US\$			
17	6 TR TO AMERICAN SEC./SHARP GREEN	6366 5400001	25 000.00		
17	6 TR TO RIGGS INTL / SHARP GREEN	6366 5400001	25 000.00		50 000.00
15	10 MGT. FEES 3RD QUARTER 1986	8001 5400001	379.94		50 379.94
23	12 MGT. FEES 4TH QUARTER 86	8428 5400001	389.12		50 769.06
	TRANSACTION & BALANCE		50 769.06	0.00	50 769.06
101012	***** CAPITAL INVESTED	MX\$			
	TRANSACTION & BALANCE		0.00	0.00	0.00

11 03047

CSF INVESTMENTS LTD.
 KUALA LUMPUR

 4231 AH/SUB - A/C # 3 FROM 01 01 86 TO 31 12 86
 LEDGER

A/C	NAME & DESCRIPTION	DOC. NO. CONTRA	DEBIT	CREDIT	BALANCE
5	***** ASSETS & LIABILITIES	US\$			
526101	***** FID. DEPOSIT - RMB	US\$			
5	9 6.3125 R.N.B. 20/10/86	80000+ 8018 5600001	80 000.00		80 000.00
	FIDUCIARY DEPOSIT				
20	10 6.3125 R.N.B. 20/10/86	80000- 8040 5600001		80 000.00	
	REDEMPTION				
20	10 R.N.B. 20.11.86	80000+ 8041 5600001	80 000.00		80 000.00
	FIDUCIARY DEPOSIT				
20	11 R.N.B. 20.11.86	80000- 8174 5600001		80 000.00	0.00
	REDEMPTION				
	TRANSACT & BALANCE		160 000.00	160 000.00	0.00
526601	***** FID. DEPOSIT - CREDIT SUISSE	US\$			
18	6 6.1250 CALL CREDIT SUISSE	200000+ 6339 5600001	200 000.00		200 000.00
	ON CALL				
23	6 6.1250 CALL CREDIT SUISSE	50000- 6374 5600001		50 000.00	150 000.00
	OFF CALL				
2A	7 6.1250 CALL CREDIT SUISSE	150000- 7107 5600001		150 000.00	0.00
	OFF CALL				
	TRANSACT & BALANCE		200 000.00	200 000.00	0.00
550601	***** SECURITIES - R.N.B.	US\$			
19	11 OUNCES - GOLD				
	PURCHASE	100+ 8258 5600001	38 800.00		38 800.00
12	12 OUNCES - GOLD				
	SALE	100- 8374 5600001		39 025.00	
12	12 OUNCES - GOLD				

11 03048

CSF INVESTMENTS LTD.
INCORPORATED IN CANADA

4231 PA/SUB A/C # 3 FROM 01.01.86 TO 31.12.86
 LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
550601	SECURITIES - R.N.B. GAIN		(SUITE) 760601	225.00		0.00
TRANSACTION & BALANCE				39 025.00		0.00
550801	SECURITIES - CAN. IMP. BK. OF COMMER US\$				11 05049	
24 7	7500 PRUDENTIAL FUNDING CO PURCHASE	70000+	8005 5600001	69 562.50		
24 7	75000 SASKATCHEWAN PURCHASE	80000+	8006 5600001	78 900.00		148 462.50
4 9	75000 SASKATCHEWAN SALE	80000-	8009 5600001		79 800.00	
4 9	75000 SASKATCHEWAN GAIN		760801	900.00		69 562.50
17 12	7500 PRUDENTIAL FUNDING CO SALE	70000-	8325 5600001		71 662.50	
17 12	7500 PRUDENTIAL FUNDING CO GAIN		760801	2 100.00		0.00
30 12	64375 CIBC CERTIFICATES DEPOSIT PURCHASE	157000+	8475 5600001	157 000.00		157 000.00
TRANSACTION & BALANCE				308 462.50	151 462.50	157 000.00
551401	SECURITIES - BEAR STEARNS		US\$			
12 11	CITIZENS FINANCIAL GROUP INC PURCHASE	800+14100	5600001	30 270.41		30 270.41
17 12	CITIZENS FINANCIAL GROUP INC SALE	800-14101	5600001		30 210.32	
17 12	CITIZENS FINANCIAL GROUP INC LOSS		761401	60.09		0.00
TRANSACTION & BALANCE				30 270.41	30 270.41	0.00

CSF INVESTMENTS LTD.
MONTREAL, QUEBEC

A/C	NAME & DESCRIPTION	DOC. NO. CONTRA	DEBIT	CREDIT	BALANCE
4231	AM/SUB A/C # 3 LEDGER	FROM 01 01 86 TO 31 12 86			
551801	***** SECURITIES - MERRILL LYNCH	US\$			
	TRANSACT. & BALANCE		0.00	0.00	0.00
552212	***** SECURITIES - MORGAN STANLEY	HEK			
	TRANSACT. & BALANCE		11 03050		
556601	***** FID. DEPOSIT - CREDIT SUISSE	US\$			
	TRANSACT. & BALANCE		0.00	0.00	0.00
560001	***** CASH ACCOUNT	US\$			
17	6 TR TO AMERICAN SEC./SHARP GREEN	6366 101001		25 000.00	
17	6 TR TO RIGGS NTL / SHARP GREEN	6366 101001		25 000.00	50 000.00
18	6 6.1250 CALL CREDIT SUISSE	200000- 6339 661000K		200 000.00	250 000.00
20	6 NEW FUNDS	6332 100001	200 000.00		
20	6 CALL INT.	6386 772201	66.68		49 933.32
23	6 6.1250 CALL CREDIT SUISSE	50000+ 6374 661000K		50 000.00	66.68
	OFF CALL	6414 772201	100.00		
24	6 CALL INT.	6414 772201	24.99		191.67
24	6 CALL INT.	7084 772201	550.00		741.67
14	7 CALL INTEREST	7092 772201	23.44		745.11
17	7 CALL INTEREST	7118 772201	103.40		868.51
22	7 CALL INTEREST				
24	7 7.500 PRUDENTIAL FUNDING CO.	70000- 8005 081PRU		69 562.50	
	PURCHASE				
24	7 7.500 PRUDENTIAL FUNDING CO.	70000- 8005 081PRU		30.13	
	ACCRUED INTEREST				
24	7 7.500 SASKATCHEWAN	80000- 8006 081SASK		78 900.00	
	PURCHASE				
24	7 6.1250 CALL CREDIT SUISSE	150000+ 7107 661000K	150 000.00		
	OFF CALL	7132 772201	46.88		2 422.76
24	7 CALL INTEREST				

CSF INVESTMENTS LTD
MARKET VESTIMENTA

4231 AH/SUB - A/C # 3 FROM 01 01 86 TO 31 12 86
 LEDGER

A/C	NAME & DESCRIPTION	DOC. NO.	CONTRA	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT		(SUITE)			
4 9	7-5000-SASKATCHEWAN	80000+	8009 081SASK	79 800.00	11 03051	
4 9	7-5000 SASKATCHEWAN	80000+	8009 081SASK	666.67		82 889.43
5 9	6-3125 R.N.B. 20/10/86	80000-	8018 611293A		80 000.00	2 889.43
15 10	MGT FEES 3RD QUARTER 1986	8001	101001		379.94	2 509.49
20 10	6-3125 R.N.B. 20/10/86	80000+	8040 611293A	80 000.00		
20 10	INTEREST	8040	772201	622.60		
20 10	R.N.B. 20-11-86	80000-	8041 611324B		80 000.00	3 132.09
12 11	FIDUCIARY DEPOSIT	80000-	8041 611324B		30 270.41	27 138.32
19 11	CITIZENS FINANCIAL GROUP INC	800-	14100 14C11N		38 800.00	65 938.32
19 11	OUNCES - GOLD	100-	8258 06ZPDGL			
20 11	PURCHASE	80000+	8174 611324B	80 000.00		
20 11	REDEMPTION	8174	772201	390.68		14 452.36
20 11	INTEREST	100+	8374 06ZPDGL	39 025.00		53 477.36
12 12	OUNCES - GOLD	70000+	8325 081PRU	71 662.50		
17 12	7 7500 PRUDENTIAL FUNDING CO	70000+	8325 081PRU	2 185.06		
17 12	SALE	800+	14101 14C11N		30 210.32	157 535.24
17 12	7 7500 PRUDENTIAL FUNDING CO	8628	101001		389.12	157 146.12
17 12	CREDIT INTEREST	157000-	8475 081CD		157 000.00	146.12
17 12	CITIZENS FINANCIAL GROUP INC					
23 12	SALE					
23 12	MGT FEES 4TH QUARTER 86					
30 12	6-4375-CIBC CERTIFICATES DEPOSIT					
30 12	PURCHASE					
	TRANSACTION BALANCE	77000-		785 478.22	785 332.10	146.12

CSF INVESTMENTS LTD.
H.M. ILL. & ILLINOIS

4231 AH/SUB A/C # 3 FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5600012	***** CASH ACCOUNT		MFK		11-03052	
	TRANSACTION BALANCE			0.00	0.00	0.00

))

CSF INVESTMENTS LTD
1127, RUE FORT, TERREBONA

4231 AM/SUB. A/C # 3
LEDGER

FROM 01.01.86 TO 31.12.86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
6	***** CHARGES		US\$		11 03053	
673701	***** BANK CHARGES		US\$			
	TRANSACT. & BALANCE			0.00	0.00	0.00

CSF INVESTMENTS LTD.
RESULT PERMUDA

4231 AH/SUB A/C # 3 FROM 01 01 86 TO 31 12 86
 LEDGER

A/C	NAME & DESCRIPTION	DOC. NO CONTRA	DEBIT	CREDIT	BALANCE
7	***** INCOME		11 03054		
					US\$
760601	***** REAL GAINS/LOSSES - R.N.B				US\$
12 12	DUNCES - GOLD GAIN	06ZPDGI		225.00	225.00-
	TRANSACT & BALANCE		0.00	225.00	225.00-
760801	***** REAL GAINS/LOSSES - CIBC				US\$
4 9	7 5000 SASKATCHEWAN GAIN	081SASK		900.00	900.00-
17 12	7 7500 PRUDENTIAL FUNDING CO GAIN	08JPRU		2 100.00	3 000.00-
	TRANSACT & BALANCE		0.00	3 000.00	3 000.00-
761401	***** REAL GAINS/LOSSES - BEAR STEARNS				US\$
17 12	CITIZENS FINANCIAL GROUP INC LOSS	14CITN		60.09	60.09
	TRANSACT & BALANCE		60.09	0.00	60.09
762212	***** REAL GAINS/LOSSES - MORGAN STANLEY MEX				
	TRANSACT & BALANCE		0.00	0.00	0.00

CSF INVESTMENTS LT
NO. 1111 - 2 - RMUDA

4231 AH/SUB - A/C # 3 FROM 01_01_86 TO 31_12_86
 LEDGER

A/C	NAME & DESCRIPTION	DOC. NO. CONTRA	DEBIT	CREDIT	BALANCE
771101	***** INTEREST EARNED ON BONDS	US\$			
24 7	7 7500 PRUDENTIAL FUNDING CO	70000- 8005 5600001	30.13		30.13
4 9	7 5000 SASKATCHEWAN	80000- 8009 5600001		666.67	636.54
17 12	7 7500 PRUDENTIAL FUNDING CO	70000- 8325 5600001		2 185.06	2 821.60
	CREDIT INTEREST				
	TRANSACT & BALANCE	80000-	30.13	2 851.73	2 821.60

H 03055

A/C	NAME & DESCRIPTION	DOC. NO. CONTRA	DEBIT	CREDIT	BALANCE
771212	***** DIVIDENDS	MEK			
	TRANSACT & BALANCE		0.00	0.00	0.00

A/C	NAME & DESCRIPTION	DOC. NO. CONTRA	DEBIT	CREDIT	BALANCE
772201	***** INTEREST EARNED ON FTD	US\$			
20 6	CALL INT	6386 5600001		66.68	66.68
24 6	CALL INT	6414 5600001		100.00	
24 6	CALL INT	6414 5600001		24.99	191.67
16 7	CALL INTEREST	7084 5600001		550.00	741.67
17 7	CALL INTEREST	7092 5600001		23.44	765.11
22 7	CALL INTEREST	7118 5600001		103.40	868.51
24 7	CALL INTEREST	7132 5600001		46.88	915.39
20 10	INTEREST	8040 5600001		622.60	1 537.99
20 11	INTEREST	8174 5600001		390.68	1 928.67
	TRANSACT & BALANCE		0.00	1 928.67	1 928.67

CSF INVESTMENTS LTD.
H/3117-1-1-86MUDA

4231 AM/SUB A/C # 3 FROM 01-01-86 TO 31-12-86
LEDGER

A/C NAME & DESCRIPTION DOC. NO CONTRA DEBIT CREDIT BALANCE

H 03056

CSF INVESTMENTS LTD.
H.F. B.L.T. - FIRMUDA

4231 AH/SUB A/C # 3 FROM 01 01 86 TO 31 12 86
LEDGER

A/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

9 ***** TRANSIT ACCOUNTS US\$

GRAND TOTALS 1 574 095 41 1 574 095 41 0 00

11 03057

FROM 01 01 87 TO 30 06 87

4201 KOREL ASSETS
LEGER

A/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

9 TRANSIT ACCOUNTS (SUITE)

1 ***** CAPITAL US\$

100000 ***** CAPITAL CONTRIBUTIONS/WITHDRAWALS FS H 03058

1 1 BROUGHT FORWARD 8 000 00 8 000 00

2 1 TRANSFER 101000 0 00 0 00

TRANSACT & BALANCE ----- 8 000 00 8 000 00 0 00

100001 ***** CAPITAL CONTRIBUTIONS/WITHDRAWALS US\$

1 1 BROUGHT FORWARD 562 775 03 562 775 03

2 1 TRANSFER 101001 0 00 0 00

TRANSACT & BALANCE ----- 562 775 03 562 775 03 0 00

101000 ***** CAPITAL INVESTED FS

1 1 BROUGHT FORWARD 824 200 54+ 14 348 66

2 1 TRANSFER 100000 8 000 00 8 000 00

TRANSACT & BALANCE ----- 824 200 54+ 22 348 66 8 000 00

101001 ***** CAPITAL INVESTED US\$

1 1 BROUGHT FORWARD 819 891 06 984 260 72

235626- 933 348 66- 164 369 66

1 1986 P/L NET BALANCE 562 775 03 1 547 035 75

2 1 TRANSFER 100001 3 142 75 1 543 893 00

30 1 MGT FEES 4TH QUARTER 1986 967 17 1 542 925 83

6001 5600001 6001 5600001

21 4 MGT FEES 1ST QUARTER 1987

FROM 01 01 87 TO 30 06 87

4.201 KOREL ASSETS
LEDGER

A/C NAME & DESCRIPTION

DOC NO CONTRA

DEBIT

CREDIT

BALANCE

H 03059

(SUITE)

4 109 92 1 547 035 75 1 542 925 83

235626-

TRANSACT & BALANCE

933 348 66-

101003 ***** CAPITAL INVESTED

DM

1 1 BROUGHT FORWARD

3 445 45-

216 01

216 01

0 00

1 1 1986 P/L NET BALANCE

TRANSACT & BALANCE

3 445 45-

216 01

216 01

0 00

101010 ***** CAPITAL INVESTED

YEN

1 1 BROUGHT FORWARD

2 892 13-

35 953 50

35 953 50

0 00

1 1 1986 P/L NET BALANCE

TRANSACT & BALANCE

2 892 13-

35 953 50

35 953 50

0 00

101012 ***** CAPITAL INVESTED

MFK

1 1 BROUGHT FORWARD

8 493 20-

40 285 70

40 285 70

0 00

1 1 1986 P/L NET BALANCE

TRANSACT & BALANCE

8 493 20-

40 285 70

40 285 70

0 00

101017 ***** CAPITAL INVESTED

HK\$

1 1 BROUGHT FORWARD

20 906 16+

27 648 51

27 648 51

0 00

1 1 1986 P/L NET BALANCE

TRANSACT & BALANCE

20 906 16+

27 648 51

27 648 51

0 00

4201 KOREL ASSETS
LEDGER FROM 01 01 87 TO 30 06 87

A/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

H 03061

5 ***** ASSETS & LIABILITIES US\$

515300 ***** LOANS RECEIVABLE FS

TRANSACT & BALANCE

0 00 0 00 0 00

517401 ***** PRIVATE INVESTMENTS RECEIVABLE US\$

TRANSACT & BALANCE

0 00 0 00 0 00

525601 ***** FID DEPOSIT - CONTINENTAL BANK US\$

TRANSACT & BALANCE

0 00 0 00 0 00

526101 ***** FID DEPOSIT - RNB US\$

TRANSACT & BALANCE

0 00 0 00 0 00

526601 ***** FID DEPOSIT - CREDIT SUISSSE US\$

TRANSACT & BALANCE

0 00 0 00 0 00

550300 ***** SECURITIES - GUTZWILLER FS

TRANSACT & BALANCE

0 00 0 00 0 00

550801 ***** SECURITIES - CAN IMP BK OF COMMER US\$

1 1 BROUGHT FORWARD 154,6000+

1 546 000 00

8 1 SALE 154,6000 - 8475 5600001

1 546 000 00

8 1 INTEREST TO 30 03 87 AT 0 437 8475 5600001

1 521 85

8 1 REVERSAL 8475 5600001

1 521 85

0 00

4201 KOREL ASSETS
LEDGER FROM 01 01 87 TO 30 06 87

A/C	NAME & DESCRIPTION	IMP	BK OF CO	DOC NO CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
550801	SECURITIES - CAN					1 547 521 85		
	TRANSACT & BALANCE						H 03062	0 00
550900	***** SECURITIES - CREDIT SUISE				FS	0 00	0 00	0 00
	TRANSACT & BALANCE							
551301	***** SECURITIES - ROSE & COMPANY				US\$	0 00	0 00	0 00
	TRANSACT & BALANCE							
551401	***** SECURITIES - BEAR STEARNS				US\$	0 00	0 00	0 00
	TRANSACT & BALANCE							
551510	***** SECURITIES - NIKKO				YEN	0 00	0 00	0 00
	TRANSACT & BALANCE							
551600	***** SECURITIES - NOMURA				FS	0 00	0 00	0 00
	TRANSACT & BALANCE							
551601	***** SECURITIES - NOMURA				US\$	0 00	0 00	0 00
	TRANSACT & BALANCE							
551610	***** SECURITIES - NOMURA				YEN	0 00	0 00	0 00
	TRANSACT & BALANCE							

4201 KOREL ASSETS
LEDGER

FROM 01 01 87 TO 30 06 87

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
51800	***** SECURITIES - MERRILL LYNCH	FS	0 00	0 00	0 00
	TRANSACT & BALANCE				
51801	***** SECURITIES - MERRILL LYNCH	US\$			
	TRANSACT & BALANCE				
8 1	6 0000 EURO-CD TORONTO DOMINION	1540000+18001	1 540 000 00		1 540 000 00
8 4	6 0000 EURO-CD TORONTO DOMINION	REDEMPTION 1540000-18002		1 540 000 00	
8 4	6 2500 MERRILL LYNCH 8/5/87	FIDUCIARY DEPOSIT 1563100+18003	1 563 100 00		1 563 100 00
8 5	6 8750 MERRILL LYNCH 8/7/87	FIDUCIARY DEPOSIT 1571241+18005	1 571 241 00		1 571 241 00
8 5	6 2500 MERRILL LYNCH 8/5/87	REDEMPTION 1563100-18004		1 563 100 00	
	TRANSACT & BALANCE	1571241+			
52010	***** SECURITIES - WAKO	YEN			
	TRANSACT & BALANCE				
52100	***** SECURITIES - DAIWA SECURITIES	FS	0 00	0 00	0 00
	TRANSACT & BALANCE				
52110	***** SECURITIES - DAIWA	YEN			
	TRANSACT & BALANCE				
			4 674 341 00	3 103 100 00	1 571 241 00

H 03063

4.201 KOREL ASSETS
LEDGER

FROM 01 01 87 TO 30 06 87

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
552201	***** SECURITIES - MORGAN STANLEY		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
552212	***** SECURITIES - MORGAN STANLEY		MFK			
	TRANSACTION & BALANCE			0 00	0 00	0 00
552220	***** SECURITIES - MORGAN STANLEY		\$AU			
	TRANSACTION & BALANCE			0 00	0 00	0 00
552417	***** SECURITIES - REED STENHOUSE		HK\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
552420	***** SECURITIES - REED STENHOUSE		\$AU			
	TRANSACTION & BALANCE			0 00	0 00	0 00
552701	***** SECURITIES - STRAUSS TURNBULL		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
552703	***** SECURITIES - STRAUSS TURNBULL		DM			
	TRANSACTION & BALANCE			0 00	0 00	0 00
5600000	***** CASH ACCOUNT		FS			
1	1 BROUGHT FORWARD			824 200 54 -		0 00
	TRANSACTION & BALANCE			824 200 54 -		0 00

H 03064

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
4.201	KOREL ASSETS LEDGER	FROM 01 01,87 TO 30 06 87			8
1,600001	***** CASH ACCOUNT				
		US\$			
1	BROUGHT FORWARD	584076-	1 035 75		1 035 75
8	SALE	1546000+ 8475 08JCD	1 546 000 00		
8	INTEREST FM 30 1286 TO 08 01	8475 08JCD	2 488 09		
8	INTEREST TO 30 03 87 AT 0 437	8475 08JCD	1 521 85		
8	6 0000 EURO-CD TORONTO DOMINION PURCHASE	1540000-18001 18JCDTO		1 540 000 00	
8	REVERSAL	8475 08JCD		1 521 85	
8	INTEREST TO 30 03 87 AT 0 43	8475 08JCD	1 521 85		11 045 69
30	MGT FEES 4TH QUARTER 1986	5001 101001		3 142 75	7 902 94
8	6 0000 EURO-CD TORONTO DOMINION REDEMPTION	1540000+18002 18JCDTO	1 540 000 00		
8	6 0000 EURO-CD TORONTO DOMINION INTEREST	1540080+18002 18JCDTO	23 100 00		
8	6 2500 MERRILL LYNCH 8/5/87	1563100-18003 181128A		1 563 100 00	7 902 94
21	FIDUCIARY DEPOSIT	6001 101001		967 17	6 935 77
8	6 8750 MERRILL LYNCH 8/7/87	1571241-18005 181189A		1 571 241 00	
8	FIDUCIARY DEPOSIT	6 2500 MERRILL LYNCH 8/5/87	1 563 100 00		6 935 92
8	6 2500 MERRILL LYNCH 8/5/87	1563100+18004 181128A	8 141 15		
8	REDEMPTION	1563100+18004 772201			
8	CREDIT INTEREST				
TRANSACT & BALANCE			933 348 66+	4 679 972 77	6 935 92

H 03065

4201 KOREL ASSETS		FROM 01 01 87 TO 30 06 87		87 05 29	PAGE	9
A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
5600003	***** CASH ACCOUNT		DM			
	TRANSACTION & BALANCE			0 00	0 00	0 00
5600010	***** CASH ACCOUNT		YEN			
1	1 BROUGHT FORWARD	401500+		2 892 13+		0 00
5600012	***** CASH ACCOUNT		MFK			
	TRANSACTION & BALANCE	401500+		2 892 13+	0 00	0 00
5600017	***** CASH ACCOUNT		HK\$			
1	1 BROUGHT FORWARD	10000+		20 906 16-	0 00	0 00
5600020	***** CASH ACCOUNT		\$AU			
	TRANSACTION & BALANCE	10000+		20 906 16-	0 00	0 00
5600300	***** CSF INVOICES		FS			
	TRANSACTION & BALANCE			0 00	0 00	0 00
	TRANSACTION & BALANCE			0 00	0 00	0 00

99020 H

FROM 01 01 87 TO 30 06 87

4201 KOREL ASSETS
LEDGER

BALANCE

CREDIT

DEBIT

A/C NAME & DESCRIPTION

11 05067

US\$

***** CHARGES

US\$

***** BANK CHARGES

TRANSACTION & BALANCE

0 00

0 00

0 00

YEN

***** BANK CHARGES

TRANSACTION & BALANCE

0 00

0 00

0 00

87 05 29 PAGE 11

FROM 01 01 87 TO 30 06 87

4201 KOREL ASSETS
LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
7	***** INCOME		US\$			
760900	***** REAL GAINS/LOSSES - CREDIT SUISSE		FS			
	TRANSACTION & BALANCE			0 00	0 00	0 00
761301	***** REAL GAINS/LOSSES - ROSE & CO		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
761401	***** REAL GAINS/LOSSES - BEAR STEARNS		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
761510	***** REAL GAINS/LOSSES - NIKKO		YEN			
	TRANSACTION & BALANCE			0 00	0 00	0 00
761600	***** REAL GAINS/LOSSES - NOMURA		FS			
	TRANSACTION & BALANCE			0 00	0 00	0 00
761601	***** REAL GAINS/LOSSES - NOMURA		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
761610	***** REAL GAINS/LOSSES - NOMURA		YEN			
	TRANSACTION & BALANCE			0 00	0 00	0 00

82050 //

FROM 01 01 87 TO 30 06 87

4201 KOREL ASSETS
LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
/61800	***** REAL GAINS/LOSSES - MERRILL LYNCH FS TRANSACTION & BALANCE			0 00	0 00	0 00
/62010	***** REAL GAINS/LOSSES - WAKO SECURITIE YEN TRANSACTION & BALANCE			0 00	0 00	0 00
/62110	***** REAL GAINS/LOSSES - DAIWA YEN TRANSACTION & BALANCE			0 00	0 00	0 00
/62201	***** REAL GAINS/LOSSES - MORGAN STANLEY US\$ TRANSACTION & BALANCE			0 00	0 00	0 00
/62212	***** REAL GAINS/LOSSES - MORGAN STANLEY MEX TRANSACTION & BALANCE			0 00	0 00	0 00
/62220	***** REAL GAINS/LOSSES - MORGAN STANLEY \$AU TRANSACTION & BALANCE			0 00	0 00	0 00
/62417	***** REAL GAINS/LOSSES - REED STENHOUSE HK\$ TRANSACTION & BALANCE			0 00	0 00	0 00
762420	***** REAL GAINS/LOSSES - REED STENHOUSE \$AU TRANSACTION & BALANCE			0 00	0 00	0 00

≡ 03069

4201 KOREL ASSETS
LEDGER

FROM 01 01 87 TO 30 06 87

87 05 29 PAGE 13

A/C	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
762701	***** REAL GAINS/LOSSES - STRAUSS TURNBU US\$ TRANSACTION & BALANCE		0 00	0 00	0 00
762703	***** REAL GAINS/LOSSES - STRAUSS TURNBU DM TRANSACTION & BALANCE		0 00	0 00	0 00
771100	***** INTEREST EARNED ON BONDS FS TRANSACTION & BALANCE		0 00	0 00	0 00
771101	***** INTEREST EARNED ON BONDS US\$ 8 1 INTEREST FM 30 1286 TO 08 01 84.75 5600001 8 1 INTEREST TO 30 03 87 AT 0.43 84.75 5600001 8 4 6 0000 EURO-CD TORONTO DOMINION INTEREST 154,0000-18002 5600001		0 00	2 488 09 1 521 85 23 100 00	4 009 94 27 109 94
	TRANSACTION & BALANCE 154,0000-		0 00	27 109 94	27 109 94
771103	***** INTEREST EARNED ON BONDS DM TRANSACTION & BALANCE		0 00	0 00	0 00
771110	***** INTEREST EARNED ON BONDS YEN TRANSACTION & BALANCE		0 00	0 00	0 00

07070 H 05070

4201 KOREL ASSETS		FROM 01 01 87 TO 30 06 87		87 05 29	PAGE	14
A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
771120	***** INTEREST EARNED ON BONDS		\$AU			
	TRANSACTION & BALANCE			0 00	0 00	0 00
771201	***** DIVIDENDS		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
771210	***** DIVIDENDS		YEN			
	TRANSACTION & BALANCE			0 00	0 00	0 00
771212	***** DIVIDENDS		HK\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00
772100	***** INTEREST EARNED ON LOANS		FS			
	TRANSACTION & BALANCE			0 00	0 00	0 00
772201	***** INTEREST EARNED ON FTD		US\$			
8 5	CREDIT INTEREST	1563100-18004	5600001		8 141 15	8 141 15
	TRANSACTION & BALANCE	1563100-		0 00	8 141 15	8 141 15
772301	***** INCOME ON INVESTMENTS		US\$			
	TRANSACTION & BALANCE			0 00	0 00	0 00

H 03071

87 05 29 PAGE 15

FROM 01 01 87 TO 30 06 87

DEBIT CREDIT BALANCE

4201 KOREL ASSETS
LEDGER

A/C NAME & DESCRIPTION

DOC NO CONTRA

11 03072

87 05 29 PAGE 16

FROM 01 01 87 TO 30 06 87

4201 KOREL ASSETS
LEDGER

A/C NAME & DESCRIPTION

DEBIT CREDIT BALANCE

9 ***** TRANSIT ACCOUNT

US\$

*****	*****	*****
11 611 466 29	11 611 466 29	0 00
*****	*****	---

GRAND TOTALS

11 05073



KOREL ASSETS
LEDGER

FROM 01 01 36 TO 31 12 86

NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

TRANSIT ACCOUNT (SUITE)

***** CAPITAL

***** CAPITAL CONTRIBUTIONS/WITHDRAWALS FS

1	TR TO	1181	5105 560000	5,000.00		5,000.00
2	TR TO	1181	7081 560000	3,000.00		3,000.00
TRANSACT & BALANCE				8,000.00	0.00	8,000.00

***** CAPITAL CONTRIBUTIONS/WITHDRAWALS US

1	ACCT	FORWARD	101001		4,622,177.76	4,622,177.76
2	TR	FROM LAKE RESOURCES	5255 5600001			0.00
3	TR	TO K RASHID (GULF MARKETING)	6057 5600001	31,827.64	1,650.00	1,650.00
4	NEW FUNDS		6087 5600001		50,000.00	183,172.36
5	TRANSFER		6196 5600001		7,439.79	183,172.36
6	NEW FUNDS		6189 5600001		26,490.00	217,102.14
7	NEW FUNDS		6269 5600001		79,137.00	296,269.14
8	TR	FROM DEFEX	6422 5600001		11,183.00	307,452.14
9	TR	TO ALACON VALUES CORP	7015 5600001	2,305.32		305,146.82
10	TR	PMT KLINIK BUCHINGER AM BODENSEE	7117 5600001	769.79		304,377.03
11	TRANSFER	FM U B S L FRIEDBURG	7286 5600001		258,398.00	562,775.03
TRANSACT & BALANCE				4,97,089.51	1,059,885.54	5,92,775.03

***** CAPITAL INVESTED FS

***** CAPITAL INVESTED

1	TR	TO	1000	686,335.00		686,335.00
2	TR	TO	1000	259.14		259,929.00
TRANSACT & BALANCE				945,494.14		946,288.00

***** CAPITAL INVESTED

***** CAPITAL INVESTED

***** CAPITAL INVESTED

CSF INVESTMENTS LTD.
HAMILTON, ONTARIO, CANADA4201 KOREL ASSETS
LEDGER

FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
01000	CAPITAL INVESTED		(SUITE)			
8 1	5.6250 ISHII FOOD CO. DELIVERY	19000+	5032 21JISHI	18 810 00		205 690 86-
24 4	INV 1183		5600300	5 000 00		200 690 86-
29 4	PMT INV NO 1183	2158	5600300		5 000 00	205 690 86-
16 7	INV 1321		5600300	3 000 00		202 690 86-
22 7	PMT INV NO 1321	3115	5600300		3 000 00	205 690 86-
22 10	DM/SFR AT 0.8275	8091	5600000	9 079 65		196 611 21-
23 12	SFR/US\$ AT 1.6625	8418	5600000	210 959 87		14 348 66
	TRANSACT. & BALANCE		824 200 54+	247 078 66	232 730 00	14 348 66
01001	##### CAPITAL INVESTED		US\$			
1 1	BROUGHT FORWARD		210 720 00+		10 753 64	1 466 23-
1 1	P/L NET BALANCE YEAR 1985			9 289 41		463 641 99-
2 1	TRANSFER		100001		462 177 76	462 295 55-
8 1	MGT FEES 4TH QUARTER 1985	5001	5600001	1 346 44		
15 1	14.1250 KELLOGS AMORT. BDS PREM.	5030	27JKELLO		94 41	
15 1	14.1250 KELLOGS AMORT. BDS PREM	5030	27JKELLO	97 41		462 292 55-
17 1	SAFE CUSTODY CHARGE AMORT. BDS PREM	5135	5600001	145 43		462 147 12-
1 3	16.2500 NEW BRUNSWICK ELECTRIC AMORT. BDS PREM	5298	27JNEWB		299 92	
1 3	16.2500 NEW BRUNSWICK ELECTRIC AMORT. BDS PREM	5298	27JNEWB	299 92		462 147 12-
8 4	MGT FEES 1ST QUARTER 1986	6001	5600001	1 696 66		460 450 46-
14 4	US\$/AU\$ AT .7168	6033	5600001	19 732 97+	14 144 59	446 305 87-
9 5	FOSTER WHEELER CORP. TRANSFER	400-	6196 14FEW		5 313 78	
9 5	PAN AMERICAN WORLD AIRWAY LTD. TRANSFER	200-	6196 14PN		1 600 44	
9 5	6.6250 I. B. M. CREDIT CORP. TRANSFER	10000-	6196 16JIBM		9 987 50	
9 5	11 5000 CANADA					

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

4201 KOREL ASSETS
LEDGER

FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
101001	CAPITAL INVESTED (SUITE)					
	TRANSFER 75000- 6196 27JCAN4				75 000.00	
9	5 12 0000 HAMERSON PROP. INV DEPT					
	TRANSFER 25000- 6196 27JHAME		H 03076		25 937.50	
9	5 12 1250 PRUDENTIAL REALTY SEC.'S					
	TRANSFER 50000- 6196 27JPRUR				50 294.70	
9	5 8 5000 SOCIETE GENERALE WARRANT					
	TRANSFER 25- 6196 27JSGWT				3 175.00	
9	5 7 7500 SONY CORPN. EX WARRANTS					
	TRANSFER 75000- 6196 27JISON					
7	7 MGT FEES 2ND QUARTER 1986			2 478.35		682 576.28
9	9 US\$/AU\$ AT 0.6325			15 053.39		680 097.93-
18	9 US\$/HK\$ AT 7.8035			17 356.38		665 044.54-
24	9 AU\$/US\$ AT 6375			5 795.74		647 688.16-
15	10 MGT FEES 3RD QUARTER 1986			2 926.01		641 892.42-
23	11 HK\$/US\$ AT 20.455			69 605.44		638 966.41-
11	12 ADJ QTY COSEIN B.V.			0.00		569 360.97-
	1- 4435 74JCOSA				126 893.15	
23	12 SER/US\$ AT 1.6625			210 959.87-		
23	12 DM./US\$ AT 1.9858			11 188.40-		5 634.20
23	12 YEN/US\$ AT 1.9858			800 474.50-		4 907.87
23	12 HK\$/US\$ AT 4.909			300 000.00-		61 112.24
23	12 HK\$/US\$ AT 7.801			163 089.01-		20 906.16
23	12 AU\$/US\$ AT 7.801			51 266.73-		34 221.16
23	12 MGT FEES 4TH QUARTER 86			3 144.69		819 891.06-
	TRANSFER 235626-			933 348.66-		963 270.92

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
101003	CAPITAL INVESTED					
22	10 DM/SER AT 0.8275				10 972.39	10 972.39-
23	12 DM./US\$ AT 1.9858			11 188.40		216.01
	TRANSFER 3 445.45-			11 188.40		10 972.39
	TRANSFER 216.01					216.01

CSF INVESTMENTS LTD.
 HONOLULU, HAWAII
 MAHILUA, HAWAII

.201 KOREL ASSETS		FROM 01 01 86 TO 31 12 86				
LEDGER						
V/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
11010	***** CAPITAL INVESTED		YEN			
	1 BROUGHT FORWARD		7 800 00-		775 335 00	
	1 P/L NET BALANCE YEAR 1985		10 708 00			764 627 00-
	2 1 SAFE CUSTODY CHARGES		5154 5600010	106 00		764 521 00-
	3 12 YEN/US\$ AT 1 9858		4 907 87+	800 474 50		35 953 50
	TRANSACT. & BALANCE		2 892 13-	811 288 50	775 335 00	35 953 50
01012	***** CAPITAL INVESTED		MFK			
	25 11 MKE/US\$ AT 20 455		22026 5600012	69 605 44-		340 285 70-
	23 12 MKE/US\$ AT 4 909		8418 5600012	61 112 26+	300 000 00	40 285 70-
	TRANSACT. & BALANCE		8 493 20-	300 000 00	340 285 70	40 285 70-
01017	***** CAPITAL INVESTED		HK\$			
	18 9 US\$/HK\$ AT 7 8035		7364 5600017		135 440 50	135 440 50-
	23 12 HK\$/US\$ AT 7 801		8418 5600017	20 906 16+	163 089 01	27 648 51
	TRANSACT. & BALANCE		20 906 16+	163 089 01	135 440 50	27 648 51
01020	***** CAPITAL INVESTED		\$AU			
	14 4 US\$/AU\$ AT 7168		6033 5600020	14 144 59-		19 732 97-
	9 9 US\$/AU\$ AT 0 6325		24001 5600020	15 053 39-	23 799 82	43 532 79-
	24 9 AU\$/US\$ AT 6375		7378 5600020	5 793 74-	9 091 36	52 624 15-
	23 12 AU\$/US\$ AT 7 801		8418 5600020	34 221 16+	51 266 73	1 357 42-
	TRANSACT. & BALANCE		772 56-	51 266 73	52 624 15	1 357 42-

H 03077

CSF INVESTMENTS LTD.
 MANJILT, B. BERMUDA

1201 KOREL ASSETS		FROM 01 01 86 TO 31 12 86				
LEDGER						
1/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
	***** ASSETS & LIABILITIES		US\$			
	***** LOANS RECEIVABLE		FS			
15300	*****					
1	BROUGHT FORWARD	60200+		60 200 00		60 200.00
4	PN 8315 RIEMBURSEMENT	60200-	8324 5600000		60 200 00	0.00
	TRANSACT. & BALANCE			60 200.00	60 200.00	0.00
17401	***** PRIVATE INVESTMENTS RECEIVABLE		US\$			
28	3 COSFIN B.V.					
	INVESTMENTS COSFIN NO 4	30000+	15222 5600001	30 000 00		30 000.00
30	4 COSFIN B.V.					
	INT APRIL AT 10%	250+	2227 772301	250 00		30 250.00
31	5 COSFIN B.V.					
	INTEREST MAY AT 9.50%	239+	2311 772301	239 48		30 489.48
30	6 COSFIN B.V.					
	INTEREST JUNE	241+	2476 772301	241 36		30 730.84
31	7 COSFIN B.V.					
	INTEREST JULY	243+	3231 772301	243 29		30 974.13
31	8 COSFIN B.V.					
	INTEREST AUGUST	226+	3296 772301	225 85		31 199.98
5	9 7.0000 COSFIN BV					
	INVESTMENT	250000+	3519 5600001	250 000 00		
5	9 7.0000 COSFIN BV					
	INVESTMENT	40000+	3519 5600001	40 000 00		321 199.98
30	9 COSFIN B.V.					
	INTEREST SEPT 8.5%	221+	3480 772301	221 00		321 420.98
31	10 COSFIN B.V.					
	INTEREST OCTOBER 8.5%	222+	4146 772301	222 57		321 643.55
30	11 COSFIN B.V.					
	INTEREST	224	4325 772301	224 14		321 867.69

03079

CSF INVESTMENTS LTD.
 FAMILY TRUST - SERMUDA

 5201 KOREL ASSETS
 LEDGER FROM 01 07 86 TO 31 12 86

A/C NAME & DESCRIPTION	DOC. NO. CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
517401 PRIVATE INVESTMENTS RECEIVABLE					
11 12 COSFIN B.V.	82+ 4436 772301		81.63	# 03090	
11 12 INTEREST	1+ 4435 101001		0.00		
11 12 ADJ. QTY					
11 12 COSFIN B.V.	31949- 4435 5600001			31 949.32	
11 12 REDEMPTION					
11 12 7.0000 COSFIN BV	290000- 4436 5600001		290 000.00		0.00
11 12 REDEMPTION					
TRANSACT. & BALANCE			321 949.32	321 949.32	0.00
525601 ***** FID. DEPOSIT - CONTINENTAL BANK		US\$			
6 3 7.7500 CONTINENTAL BANK 07/04/78					
FIDUCIARY DEPOSIT	175000+ 5317 5600001		175 000.00		175 000.00
7 4 7.7500 CONTINENTAL BANK 07/04/78					
REDEMPTION	175000- 6015 5600001			175 000.00	
7 4 7.2500 CONTINENTAL BANK 09/06/78					
FIDUCIARY DEPOSIT	176000+ 6016 5600001		176 000.00		176 000.00
9 6 7.2500 CONTINENTAL BANK 09/06/78					
REDEMPTION	176000- 6317 5600001			176 000.00	
9 6 7.0625 CONTINENTAL BANK 09/07/78					
FIDUCIARY DEPOSIT	178000+ 6318 5600001		178 000.00		178 000.00
9 7 7.0625 CONTINENTAL BANK 09/07/78					
REDEMPTION	178000- 7025 5600001			178 000.00	
9 7 6.8750 CONTINENTAL BANK 11.08.8					
FIDUCIARY DEPOSIT	179000+ 7026 5600001		179 000.00		179 000.00
11 8 6.8750 CONTINENTAL BANK 11.08.8					
REDEMPTION	179000- 7187 5600001			179 000.00	
11 8 6.3750 CONTINENTAL BANK 11.09.8					
FIDUCIARY DEPOSIT	180000+ 7188 5600001		180 000.00		180 000.00
11 9 6.3750 CONTINENTAL BANK 11.09.8					
REDEMPTION	180000- 7315 5600001			180 000.00	0.00
TRANSACT. & BALANCE			888 000.00	888 000.00	0.00

CSF INVESTMENTS LTD.
HAMILTON, JERMUUDA

4201 KOREL ASSETS FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO.	CONTRA	DEBIT	CREDIT	BALANCE
26101	***** FID. DEPOSIT - RNB		US\$			
18 6	5.2500 RNB NEW YORK CALL ON CALL	30000+	6446 5600001	30 000.00		30 000.00
2 7	5.2500 RNB NEW YORK CALL OFF CALL	30000-	7175 5600001		30 000.00	0.00
7 7	5.2500 RNB NEW YORK CALL ON CALL	30000+	7175 5600001	30 000.00		30 000.00
15 7	5.2500 RNB NEW YORK CALL ON CALL	80000+	7175 5600001	80 000.00		110 000.00
18 8	6.0000 R.N.B. 02/09/86 FIDUCIARY DEPOSIT	110000+	7356 5600001	110 000.00		220 000.00
21 8	5.2500 RNB NEW YORK CALL OFF CALL	110000-	7353 5600001		110 000.00	110 000.00
28 8	5.2500 RNB NEW YORK CALL ON CALL	110000+	7353 5600001	110 000.00		220 000.00
29 8	5.2500 RNB NEW YORK CALL OFF CALL	110000-	7353 5600001		110 000.00	
29 8	5.3750 R.N.B. 03/09/86 FIDUCIARY DEPOSIT	110000+	7358 5600001	110 000.00		220 000.00
2 9	6.0000 R.N.B. 02/09/86 REDEMPTION	110000-	7357 5600001		110 000.00	110 000.00
3 9	5.3750 R.N.B. 03/09/86 REDEMPTION	110000-	7369 5600001		110 000.00	0.00
11 9	5.2500 RNB NEW YORK CALL ON CALL	110000+	7438 5600001	110 000.00		110 000.00
10 11	5.2500 RNB NEW YORK CALL OFF CALL	110000-	8199 5600001		110 000.00	0.00

TRANSACTION & BALANCE

580 000.00 580 000.00 0.00

H 03061

CSF INVESTMENTS LTD.
HAMILTON, BARBUDA4201 KOREL ASSETS
LEDGER FROM 01.01.86 TO 31.12.86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
52601	***** FID. DEPOSIT - CREDIT SUISE		US\$			
9 6	6.1250 CALL CREDIT SUISE	125000+	6290 5600001	125 000.00		125 000.00
16 6	6.1250 CALL CREDIT SUISE	125000-	6320 5600001		125 000.00	0.00
20 6	6.1250 CALL CREDIT SUISE	100000+	6361 5600001	100 000.00		100 000.00
24 6	6.1250 CALL CREDIT SUISE	100000-	6383 5600001		100 000.00	0.00
	TRANSACT. & BALANCE			225 000.00	225 000.00	0.00
550300	***** SECURITIES - GUTZWILLER		FS			
	TRANSACT. & BALANCE			0.00	0.00	0.00
550801	***** SECURITIES - CAN. IMP. BK OF COMMER. US\$					
30 12	6.4375 CIBC CERTIFICATES DEPOSIT	1546000+	8475 5600001	1 546 000.00		1 546 000.00
	PURCHASE					
	TRANSACT. & BALANCE			1 546 000.00	0.00	1 546 000.00
550900	***** SECURITIES - CREDIT SUISE		FS			
1 1	BROUGHT FORWARD	65000+		65 000.00		65 000.00
8 1	5.6250 ISHII FOOD CO. DELIVERY	19000+	5032 101000	18 810.00		83 810.00
4 4	1.7500 SUMITOMO EL. IND. CV	10000-	9002 5600000		13 408.69	
4 4	1.7500 SUMITOMO EL. IND. CV					
9 4	1.8750 ITOHAM FOODS INC. SFR. WT		760900	3 258.69		73 660.00

CSF INVESTMENTS LTD.
HABITAT 67, GENEVA

4201 KOREL ASSETS FROM 01.01.86 TO 31.12.86
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
50900	SECURITIES - CREDIT SUISSE (SUITE)					
	PURCHASE	10000+	6072 5600000	9 940.00		
9 4	1.8750 ITOHAM FOODS INC. SFR WT				11 413.51	11 03083
	SALE	10000 -	6072 5600000			
9 4	1.8750 ITOHAM FOODS INC. SFR WT					
	GAIN		760900	1 473.51		73 660.00
8 7	8750 ELECTRO CHEMICAL (EX DEN					
	PURCHASE	10000+	9008 5600000	9 955.00		83 615.00
10 10	5.6250 MITSUBA ELECTRIC MFG					
	AMORT. BDS PREM		8027 #	26.73		83 641.73
18 11	8750 ELECTRO CHEMICAL (EX DEN					
	SALE	10000 -	9012 5600000		9 005.32	
18 11	8750 ELECTRO CHEMICAL (EX DEN					
	LOSS		760900	949.68		73 686.73
15 12	5.6250 ISHII FOOD CO.					
	SALE	19000 -	8338 5600000		19 095.00	
15 12	5.6250 ISHII FOOD CO.					
	GAIN		760900	285.00		54 876.73
18 12	6.7500 VILLE DE LAVAL					
	SALE	30000 -	9015 5600000		29 759.35	
18 12	6.7500 VILLE DE LAVAL					
	LOSS		760900	240.65		
18 12	5.6250 MITSUBA ELECTRIC MFG					
	SALE	25000 -	9014 5600000		24 869.03	
18 12	5.6250 MITSUBA ELECTRIC MFG					
	LOSS		760900	7.70		0.00

TRANSACT. & BALANCE

108 748.93 108 748.93 0.00

551301	SECURITIES - ROSE & COMPANY	US\$
1 1	BROUGHT FORWARD	15 500.00
1 5	XIDEX CORP	
	SALE	9 282.50
1 5	XIDEX CORP.	
	GAIN	2 782.50
		9 000.00

4201 KOREL ASSETS
LEDGER

FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
551301	SECURITIES - ROSE & COMPANY						
16 10	UNIT DRILLING & EXPL. CO.	800-	8204	5600001		2 500 00	03084
16 10	UNIT CORPORATION	800+	8204	5600001	2 500 00		9 000 00
22 12	UNIT CORPORATION	800-	13008	5600001		935 96	
22 12	UNIT CORPORATION						
	LOSS		761301			1 564 04	
22 12	XIDEX CORP.	500-	13009	5600001	5 710 00		
22 12	XIDEX CORP.						
	LOSS		761301			790 00	0 00
TRANSACT. & BALANCE					20 782 50	20 782 50	0 00

551401	SECURITIES - BEAR STEARNS						US\$
1	BROUGHT FORWARD	105200+			156 060 33		156 060 33
5	EMERY AIR FREIGHT CORP.	1000-	5330	5600001		18 628 92	
5	EMERY AIR FREIGHT CORP.						
	GAIN		761401		1 663 51		139 094 92
10	EMERY AIR FREIGHT CORP.	1000-	14041	5600001		18 334 38	
10	EMERY AIR FREIGHT CORP.						
	GAIN		761401		1 368 96		122 129 50
11	BATTLE MOUNTAIN GOLD CO.	1500+	14042	5600001	21 937 50		144 067 00
18	ALA MOANA HAWAII						
	RED. PURCH. PRICE		5332	5600001		4 500 00	139 567 00
4	LTV CORP.	100+	14047	5600001	656 00		140 223 00
26	LTV CORP.	100-	5411	5600001		964 96	
26	LTV CORP.						

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

4201 KOREL ASSETS FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
51401	SECURITIES - BEAR STEARNS GAIN		(SUITE) 761401		11 05065	139 567.00
2	5 CHESEBROUGH - PONDS INC. SALE	100-14063	5600001	308.96	4 895.64	
2	5 CHESEBROUGH - PONDS INC. GAIN		761401	841.14		135 512.50
9	5 FOSTER WHEELER CORP. TRANSFER	400+ 6196	101001	5 313.78		
9	5 PAN AMERICAN WORLD AIRWAY LTD. TRANSFER	200+ 6126	101001	1 600.44		142 426.72
1	8 15 2500 PROV. OF NOVA SCOTIA AMORT. BDS. PREM	7351	9	1 379.01		143 805.73
5	9 15 0000 SPERRY RAND CURRACAO SALE	50000-14094	5600001		50 750.00	
5	9 15 0000 SPERRY RAND CURRACAO LOSS		761401	2 750.00		90 305.73
9	9 BATTLE MOUNTAIN GOLD CO. SALE	750-14083	5600001		13 950.00	
9	9 BATTLE MOUNTAIN GOLD CO. GAIN		761401	2 981.25		79 336.98
12	9 MOBIL CORP. SALE	100-14089	5600001		3 841.54	
12	9 MOBIL CORP. GAIN		761401	866.54		76 361.98
19	9 MCI COMMUNICATIONS CORP. PURCHASE	500+14085	5600001	3 812.50		80 174.48
24	9 BATTLE MOUNTAIN GOLD CO. SALE	510-14092	5600001		9 881.25	
24	9 BATTLE MOUNTAIN GOLD CO. GAIN		761401	2 422.50		72 715.73
25	9 BATTLE MOUNTAIN GOLD CO. SALE	240-14088	5600001		4 650.00	
25	9 BATTLE MOUNTAIN GOLD CO. GAIN		761401	1 140.00		69 205.73
29	9 MCI COMMUNICATIONS CORP. SALE	60-14091	5600001		472.50	
29	9 MCI COMMUNICATIONS CORP. GAIN					

CSF INVESTMENTS LTD.
HAMILTON, HAWAII4201 KOREL ASSETS
LEDGER FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5514.01	SECURITIES - BEAR STEARNS GAIN		(SUITE) 7614.01	15.00	0.5086	68 748.23
12 11	CITIZENS FINANCIAL GROUP INC PURCHASE	1000-14100	5600001	37 838.03		106 586.26
17 12	CITIZENS FINANCIAL GROUP INC SALE	1000-14101	5600001		37 762.70	
17 12	CITIZENS FINANCIAL GROUP INC LOSS		7614.01		75.33	
17 12	FOSTER WHEELER CORP. SALE	400-14102	5600001		5 016.02	
17 12	FOSTER WHEELER CORP. LOSS		7614.01		297.76	
17 12	MCI COMMUNICATIONS CORP SALE	440-14105	5600001		3 135.00	
17 12	MCI COMMUNICATIONS CORP LOSS		7614.01		220.00	
17 12	PAN AMERICAN WORLD AIRWAY LTD. SALE	200-14106	5600001		944.50	
17 12	PAN AMERICAN WORLD AIRWAY LTD. LOSS		7614.01		655.94	
17 12	ALA MOANA HAWAII SALE	3000-14110	5600001		1 199.52	
17 12	ALA MOANA HAWAII GAIN		7614.01	599.52		57 879.01
19 12	15 2500 PROV OF NOVA SCOTIA SALE	50000-14116	5600001		57 500.00	
19 12	15 2500 PROV OF NOVA SCOTIA LOSS		7614.01		379.01	0.00

TRANSACTION & BALANCE

240 804.97 240 804.97 0.00

CSF INVESTMENTS LTD.
MANILVA, SERBUKA

4201 KOREL ASSETS
LEDGER FROM 01.86 TO 31.12.86

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	YEN	DEBIT	CREDIT	BALANCE
51510	***** SECURITIES - NIKKO					H 03067	
1	BROUGHT FORWARD	550+			290,400.00		290,400.00
6	TOKIO MARINE FIRE PURCHASE	300+15041	5600010		372,368.00		662,768.00
15	TOKIO MARINE FIRE SALE	300-15047	5600010			384,330.00	
15	TOKIO MARINE FIRE GAIN		761510		11,962.00		
15	TEIKOKU TSUSHIN (6763) SALE	550-15045	5600010			303,776.00	
15	TEIKOKU TSUSHIN (6763) GAIN		761510		13,376.00		0.00
	TRANSACT. & BALANCE				688,106.00	688,106.00	0.00
51600	***** SECURITIES - NOMURA			FS			
30	8750 AOKI CORPORATION OSAKA (PURCHASE	6000+16033	5600000		5,973.00		5,973.00
12	8750 AOKI CORPORATION OSAKA (SALE	6000-16042	5600000			6,090.00	
12	8750 AOKI CORPORATION OSAKA (GAIN		761600		117.00		0.00
	TRANSACT. & BALANCE				6,090.00	6,090.00	0.00
51601	***** SECURITIES - NOMURA			US\$			
9	6.6250 I. B. M. CREDIT CORP. TRANSFER	10000+6196	101001		9,987.50		
9	6.6250 I. B. M. CREDIT CORP. ADJ. PURCHASE	4000-16022	5600001			3,995.00	5,992.50
22	6.6250 I. B. M. CREDIT CORP.						

4201 KOREL ASSETS FROM 01 01 86 TO 31 12 86
LEDGER

A/C NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
551601 SECURITIES - NOMURA				11 03068	
SALE	6000-16051	5600001		5 970.00	
22 12 6.6250 I. B. M. CREDIT CORP					0.00
LOSS		761601		22.50	

TRANSACT. & BALANCE

551610 ***** SECURITIES - NOMURA YEN

1 1 BROUGHT FORWARD		100000+			103 000.00
1 7 7.1250 PROVINCE OF NEW BRUNSWIC			103 000.00		
SHORT BDS PREM	7146	8161NEW		220.19	102 779.81
4 8 3.6000 SHIMACHU CO., LTD.					
PURCHASE	300000+	60340	426 384.00		529 163.81
8 12 3.6000 SHIMACHU CO., LTD.					
SALE	300000-	16050		371 831.25	
8 12 3.6000 SHIMACHU CO., LTD.					
LOSS		761610		54 552.75	102 779.81
15 12 7.1250 PROVINCE OF NEW BRUNSWIC					
SALE	100000-	8332	107 375.00		
15 12 7.1250 PROVINCE OF NEW BRUNSWIC					
GAIN		761610		4 595.19	0.00

TRANSACT. & BALANCE

551800 ***** SECURITIES - MERRILL LYNCH FS

1 1 BROUGHT FORWARD		60000+			60 000.00
19 12 6.0000 WORLD BANK			60 000.00		
SALE	60000-	8326		61 800.00	
19 12 6.0000 WORLD BANK					
GAIN		761800		1 800.00	0.00

TRANSACT. & BALANCE

***** SECURITIES - MERRILL LYNCH FS

61 800.00 61 800.00 0.00

CSF INVESTMENTS LTD.
HAMILTON, ONTARIO

4201 KOREL ASSETS LEDGER		FROM 01 01 86 TO 31 12 86				
A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
51801	***** SECURITIES - MERRILL LYNCH		US\$			11 03089
	TRANSACTION & BALANCE			0 00	0 00	0 00
52010	***** SECURITIES - WAKO		YEN			
28 1	TOYODA MACHINE WORKS PURCHASE	400-20008	5600010	381 780.00		381 780.00
30 4	TOYODA MACHINE WORKS SALE	400-20016	5600010		382 908.00	
30 4	TOYODA MACHINE WORKS GAIN		762010	1 128.00		0.00
	TRANSACTION & BALANCE			382 908.00	382 908.00	0.00
52100	***** SECURITIES - DAIWA SECURITIES		FS			
1 1	BROUGHT FORWARD		19000+	18 810.00		18 810.00
8 1	5 6250 ISHII FOOD CO DELIVERY		19000- 5032 101000		18 810.00	0.00
	TRANSACTION & BALANCE			18 810.00	18 810.00	0.00
52110	***** SECURITIES - DAIWA		YEN			
4 8	4 8000 MAZDA CV PURCHASE	200000+21086	5600010	217 296.00		217 296.00
11 8	SUMITOMO MARINE PURCHASE	40+21089	5600010	40 304.00		257 600.00
19 8	SUMITOMO MARINE SALE		40-21094 5600010		44 964.52	
19 8	SUMITOMO MARINE GAIN		762110	4 660.52		
19 8	NIPPON SHEET GLASS					

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

4201 KOREL ASSETS
LEDGER FROM 01-01-86 TO 31-12-86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
552110	SECURITIES - DAIWA		(SUITE)			
	PURCHASE	50-21093	5600010	40 129.10	11 03090	257 425.10
27 8	4,8000 MAZDA CV	200000-21104	5600010		231 099 74	
27 8	4,8000 MAZDA CV					
	GAIN	762110		13 803.74		40 129.10
16 9	NIPPON SHEET GLASS	50-21107	5600010		44 442.50	
16 9	NIPPON SHEET GLASS					
	GAIN	762110		4 313.40		0.00
17 9	2,0000 MATSUSHITA EL WORKS CV 3	100000-21109	5600010	145 000.00		145 000.00
1 10	2,0000 MATSUSHITA EL WORKS CV 3					
	PURCHASE	100000-21112	5600010		163 275.76	
	SALE					
1 10	2,0000 MATSUSHITA EL WORKS CV 3			18 275.76		0.00
	GAIN	762110				

TRANSACTION & BALANCE

483 782.52 483 782.52 0.00

552201 SECURITIES - MORGAN STANLEY US\$

1 1	BROUGHT FORWARD			859.20		859.20
13 1	KORONI PRINTING WTS DUE 20/12/89					
	PURCHASE	5-22011	5600001	1 900.00		2 759.20
19 2	KORONI PRINTING WTS DUE 20/12/89					
	SALE	5-22015	5600001		2 300.00	
19 2	KORONI PRINTING WTS DUE 20/12/89					
	GAIN	762201		400.00		859.20
31 3	CALL CHESEBROUGH 100 SH \$35					
	SALE	1-22018	5600001		1 237.36	
31 3	CALL CHESEBROUGH 100 SH \$35					
	GAIN	762201		378.16		0.00

TRANSACTION & BALANCE

3 537.36 3 537.36 0.00

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

A/C	NAME & DESCRIPTION	DOC_NO	CONTRA	DEBIT	CREDIT	BALANCE
4201	KOBEL ASSETS LEDGER	FROM 01_01_86 TO 31_12_86				
						H-03091
552212	SECURITIES - MORGAN STANLEY		MFK			
25 11	POHJOLA (NEWS) B	4,000+22026	5600012	340,285.70		340,285.70
	PURCHASE					
22 12	POHJOLA (NEWS) B	4,000-22030	5600012		300,000.00	
	SALE					
22 12	POHJOLA (NEWS) B		762212	40,285.70		0.00
	LOSS					
	TRANSACT & BALANCE			340,285.70	340,285.70	0.00
552220	SECURITIES - MORGAN STANLEY		9AU			
7 3 14	2500 SCANDINAVIAN AIRLINE SYS	20000+	5418 5600020	19,725.00		19,725.00
	PURCHASE					
22 12 14	2500 SCANDINAVIAN AIRLINE SYS	20000-22028	5600020		20,050.00	
	SALE					
22 12 14	2500 SCANDINAVIAN AIRLINE SYS		762220	325.00		0.00
	GAIN					
	TRANSACT & BALANCE			20,050.00	20,050.00	0.00
552417	SECURITIES - REED STENHOUSE		HK\$			
12 9	HONG KONG LAND	20000+24002	5600017	135,440.50		135,440.50
	PURCHASE					
16 10	DAIRY FARM	10000+24004		15,440.50		
	RCVD FREE 1 X 2 H.K. LAND					
16 10	HONG KONG LAND	24004	824DF		15,440.50	
	RCVD FREE 1 X 2 H.K. LAND					
4 11	DAIRY FARM	2000-24005	5600017		4,961.25	
	SALE					
4 11	DAIRY FARM		762417	1,873.15		
	GAIN					

4201 KOREL ASSETS FROM 01 01 86 TO 31 12 86
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
552417	SECURITIES - REED STENHOUSE		(SUITE)			
4 11	HONG KONG LAND PURCHASE	764+24006	5600017	4,960.44	11 05092	137 312.84
17 12	HONG KONG LAND SALE	20764-24008	5600017			
17 12	HONG KONG LAND GAIN		762417	9 798.64		134 759.08
17 12	DAIRY FARM COST ON DAIRY FARM	24007	5600017	6,254.54		
17 12	DAIRY FARM SALE	8000-24007	5600017		34 583.66	
17 12	DAIRY FARM GAIN		762417	15 976.72		0.00

552420	SECURITIES - REED STENHOUSE		\$AU			
	TRANSACT. & BALANCE			189 744.49	189 744.49	0.00

9 9	TECHNOMIN PURCHASE	50000+24001	5600020	23 799.82		23 799.82
23 9	TECHNOMIN PURCHASE	20000+24003	5600020	9 091.36		32 891.18
23 12	TECHNOMIN SALE	70000-24009	5600020		28 952.56	
23 12	TECHNOMIN LOSS		762420	3 938.62		0.00

	TRANSACT. & BALANCE			32 891.18	32 891.18	0.00

552701	SECURITIES - STRAUSS TURNBULL		US\$			
1 1	BROUGHT FORWARD	275000+				289 857.50
15 1	14,1250 KELLOGG SHORT. BDS.PREN		5030 101001	97.41		289 760.09
28 2	11,3000 AUSTRALIAN IND. DEUPT. C					

CSF INVESTMENTS LTD.
 HAMILTON, BERMUDA

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
4 201	KOREL ASSETS LEDGER	FROM 01 01 86 TO 31 12 86				
52701	SECURITIES - STRAUSS TURNBULL (SUITE)		#27JA1DC			
1	3 16 2500 NEW BRUNSWICK ELECTRIC	5298	101001	11 05093	904.96	288 855.13
26	3 9 2500 EMI FINANCE BV	20000+2704.3	5600001		299.92	288 555.21
9	4 14 1250 KELLOGS	85000-2704.5	5600001	20 000.00		308 555.21
9	4 14 1250 KELLOGS		762701	1 653.65	93 712.50	
9	4 14 1250 KELLOGS	60000+2704.4	5600001	66 975.00		
9	4 14 1250 KELLOGS		762701		756.24	282 715.12
6	5 8 5000 SOCIETE GENERALE WARRANT	50+27053	5600001	6 350.00		289 065.12
9	5 11 5000 CANADA	75000+ 6196	101001	75 000.00		
9	5 12 0000 HAWERSON PROP. INV. DEPT	25000+ 6196	101001	25 937.50		
9	5 12 1250 PRUDENTIAL REALTY SEC. S	50000+ 6196	101001	50 294.70		
9	5 8 5000 SOCIETE GENERALE WARRANT	25+ 6196	101001	3 175.00		
9	5 7 7500 SONY CORPN. EX WARRANTS	75000+ 6196	101001	64 961.49		508 433.81
16	6 14 7500 UNION CARBIDE	11000+27059	5600001	11 385.00		519 818.81
2	7 PURCHASE HIRAM WALKER	130000+27066	5600001	98 150.00		617 968.81
15	7 9 7500 BOWATER CORPORATION	15000-27070	5600001		15 000.00	
15	7 9 7500 BOWATER CORPORATION		762701	17.50		602 986.31
18	7 SALE HIRAM WALKER	91000-27067	5600001		70 297.50	

4201 KOREL ASSETS
LEDGER

FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	H	05094	DEBIT	CREDIT	BALANCE
552701	SECURITIES - STRAUSS TURNBULL GAIN	762701	(SUITE)					
21 7	8 5000 SOCIETE GENERALE WARRANT SALE	75-27069	5600001		1 592.50		9 891.04	534 281.31
21 7	8 5000 SOCIETE GENERALE WARRANT GAIN	762701			366.04			524 756.31
10 9	9 0000 R.H.M. OVERSEAS FINANCE PURCHASE	100000+27075	5600001		100 000.00			624 756.31
16 9	1 0870 S.N.C.F. PART.PAID 15/97 PURCHASE	50000+27076	5600001		6 750.00			631 506.31
26 9	12 0000 BANK OF AMERICA PURCHASE	100000+27077	5600001		101 000.00			732 506.31
2 12	9 2500 EMI FINANCE BV REIMBURSEMENT	20000-27098	5600001			20 200.00		
2 12	9 2500 EMI FINANCE BV GAIN	762701			200.00			712 506.31
15 12	16 2500 NEW BRUNSWICK ELECTRIC SALE	10000- 8350	5600001			11 700.00		
15 12	16 2500 NEW BRUNSWICK ELECTRIC GAIN	762701			574.92			
15 12	14 7500 UNION CARBIDE SALE	11000- 8356	5600001			11 330.00		
15 12	14 7500 UNION CARBIDE LOSS	762701				55.00		689 996.23
19 12	12 1250 PRUDENTIAL REALTY SEC.'S SALE	50000-27081	5600001			59 500.00		
19 12	12 1250 PRUDENTIAL REALTY SEC.'S GAIN	762701			9 205.30			
19 12	1 0870 S.N.C.F. PART.PAID 15/97 SALE	50000-27084	5600001			5 562.50		
19 12	1 0870 S.N.C.F. PART.PAID 15/97 LOSS	762701				1 187.50		
19 12	7 0000 MTEL CORP. CV.EXTL 97 SALE	100000-27086	5600001			122 000.00		
19 12	7 0000 MTEL CORP. CV.EXTL 97 GAIN	762701			15 000.00			
19 12	12 0000 HAMERSON PROP. INV. DEVT							

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

H 03095

4201 KOBEL ASSETS
LEDGER FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
19 12 01	SECURITIES - STRAUSS TURNBULL SALE 25000-27087 5600001 (SUITE)				27 625 00	
19 12 12	0000 HAMERSON PROP. INV DEVPT GAIN 762701			1 687 50		
19 12	HIRAM WALKER SALE 39000-27088 5600001				31 005 00	
19 12	HIRAM WALKER GAIN 762701			1 560 00		
19 12	12.0000 BANK OF AMERICA SALE 100000-27089 5600001				101 000 00	
19 12	11.5000 CANADA SALE 75000-27091 5600001				84 375 00	
19 12	11.5000 CANADA GAIN 762701			9 375 00		
19 12	11.5000 AUSTRALIAN IND. DEVPT. C SALE 90000-27092 5600001				99 450 00	
19 12	11.5000 AUSTRALIAN IND. DEVPT. C GAIN 762701			4 842 46		
19 12	9.0000 R.H.M. OVERSEAS FINANCE SALE 100000-27093 5600001				100 500 00	
19 12	9.0000 R.H.M. OVERSEAS FINANCE GAIN 762701			500 00		
19 12	7.7500 SONY CORPN. EX WARRANTS SALE 75000-27095 5600001				75 000 00	
19 12	7.7500 SONY CORPN. EX WARRANTS GAIN 762701			10 038 51		
19 12	9.8750 PROCTER & GAMBLE COMPANY SALE 35000-27097 5600001				37 275 00	
19 12	9.8750 PROCTER & GAMBLE COMPANY GAIN 762701			2 275 00		0 00
TRANSACT. & BALANCE						978 724 57
						978 724 57
						0 00

CSF INVESTMENTS LTD.
OF HAMILTON, ONTARIO

11 03096

FROM 01 01 86 TO 31 12 86

4201 KOREL ASSETS
LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
552703	***** SECURITIES - STRAUSS TURNBULL	DM.				
22 10	7.2500 KINGDOM OF SWEDEN	10000+	8091 5600003	10 450.00		10 450.00
15 12	7.2500 KINGDOM OF SWEDEN					
	SALE	10000-	8343 5600003		10 550.00	
15 12	7.2500 KINGDOM OF SWEDEN					
	GAIN		762703	100.00		0.00

TRANSACT. & BALANCE				10 550.00	10 550.00	0.00
5600000	***** CASH ACCOUNT	FS				
1 1	BROUGHT FORWARD	313200-		686 335.00-		1 680.86
3 1	PN 8315 INT. DECEMBER 1985	5010 772100		324.00		2 004.86
5 2	PN 8315 INT. JAN 86	1180 772100		324.00		2 328.86
5 3	PN 8315 INT. FEB.	1355 772100		252.84		2 621.50
31 3	1.7500 SUMITOMO EL. IND. CV					
	CREDIT INTEREST	10000+	5400 0975U.E	87.50		2 709.00
1 4	6 0000 WORLD BANK					
2 4	CREDIT INTEREST 22/3/86	60000+	6418 181WORB	3 600.00		6 309.00
	CREDIT INTEREST	30000+	6013 093VILL	2 025.00		8 334.00
4 4	1.7500 SUMITOMO EL. IND. CV					
	SALE	10000+	9002 0975U.E	13 408.69		
4 4	1.7500 SUMITOMO EL. IND. CV					
	CREDIT INTEREST	10000+	9002 0975U.E	1.94		21 744.63
7 4	PN 8315 INT. MARCH 86			324.00		22 068.63
9 4	1.8750 ITOHAM FOODS INC. SFR.WT					
	PURCHASE	10000-	6072 0931TOH		9 940.00	
9 4	1.8750 ITOHAM FOODS INC. SFR.WT					
	SALE	10000+	6072 0931TOH	11 413.51		23 542.14
29 4	PMT. INV. 1183		6105 100000		5 000.00	18 542.14
1 5	PN 8315 INT. APRIL 86			313.54		18 855.68
9 6	PN 8315 INT. MAY 86		6297 772100	313.54		19 169.22

CSF INVESTMENTS LTD.
MONTREAL, QUEBEC

4201 KOREL ASSETS
LEDGER

FROM 01 01 86 TO 31 12 86

05097

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5600000	CASH ACCOUNT		(SUITE)			
8 7	8750 ELECTRO CHEMICAL (EX DEN					
	PURCHASE	10000-	9008 09J DENK		9 955.00	9 214.22
14 7	PN 8315 INT. JUNE 86		7038 772100	313.54		9 527.76
21 7	PMT INV 1321		7081 100000		3 000.00	6 527.76
30 7	8750 AOKI CORPORATION OSAKA (
	PURCHASE	6000-	16033 16J AOKI		5 973.00	554.76
6 8	PN 8315 INT. JULY 86		7167 772100	324.00		878.76
8 9	PN 8315 INT. AUGUST 86		7341 772100	324.00		1 202.76
12 9	8750 AOKI CORPORATION OSAKA (
	SALE	6000+	16042 16J AOKI	6 090.00		
12 9	8750 AOKI CORPORATION OSAKA (
	ACCRUED INTEREST	6000+	16042 16J AOKI	6.14		7 298.90
3 10	PN 8315 INT. SEPTEMBER 1986		8004 772100	313.54		7 612.44
4 10	5 6250 MITSUBA ELECTRIC MFG					
	CREDIT INTEREST	25000+	8027 09J MELC	1 406.25		9 018.69
15 10	5 6250 ISHII FOOD CO.					
	CREDIT INTEREST	19000+	8035 09J ISHI	1 068.75		10 087.44
22 10	DN/SER. AT 0.8275		8091 101000	10 972.39-	9 079.65	1 007.79
6 11	PN 8315 INT. OCTOBER 86		8149 772100	324.00		1 331.79
8 11	8750 ELECTRO CHEMICAL (EX DEN					
	SALE	10000+	9012 09J DENK	9 005.32		
18 11	8750 ELECTRO CHEMICAL (EX DEN					
	ACCRUED INTEREST	10000+	9012 09J DENK	31.60		10 368.71
4 12	PN 8315 INT. NOVEMBER 86		8290 772100	313.54		
6 12	6 2500 PN 8315 - 6 YEARS					
	PN 8315 RIEMBURSEMENT	60200+	8324 53J 5315	60 200.00		70 882.25
15 12	5 6250 ISHII FOOD CO.					
	SALE	19000+	8338 09J ISHI	19 095.00		
15 12	5 6250 ISHII FOOD CO.					
	CREDIT INTEREST	19000+	8338 09J ISHI	178.61		90 155.86
18 12	6 7500 VILLE DE LAVAL					
	SALE	30000+	9015 09J VILL	29 759.35		
18 12	6 7500 VILLE DE LAVAL					
	CREDIT INTEREST	30000+	9015 09J VILL	1 440.00		
18 12	5 6250 MITSUBA ELECTRIC MFG					
	SALE	25000+	9014 09J MELC	24 869.03		

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

4.201 KOREL ASSETS
LEDGER FROM 01.01.86 TO 31.12.86 II 05098

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE	
5600000	CASH ACCOUNT							
18 12	5.6250 MITSUBA ELECTRIC MFG	25000+	9014_09JHCLC		265.63		146 489.87	
19 12	6.0000 WORLD BANK	60000+	8326 18JWORB		61 800.00			
19 12	6.0000 WORLD BANK	60000+	8326 18JWORB		2 670.00		210 959.87	
23 12	SER/US\$ AT 1.6625	8418	101000	126 893.15-		210 959.87	0.00	
TRANSACT. & BALANCE					195000+	824 200.54-	253 907.52	253 907.52

5600001 ***** CASH ACCOUNT US\$

1	1 BROUGHT FORWARD	605701-	5001 101001	210 720.00-	1 364.96		1 364.96
8	1 MGT FEES 4TH QUARTER 1985					1 346.44	18.52
13	1 KOMONI PRINTING WTS DUE 20/12/89	5-22011	22KOMO			1 900.00	1 881.48-
15	1 14.1250 KELLOGS	25000+	5030 27JKELLO		2 812.50	145.43	931.02
17	1 SAFE CUSTODY CHARGE	5135	101001				785.59
5	2 EMERY AIR FREIGHT CORP.	1000+	5330 14EAF		18 628.92		19 414.51
7	2 TR FROM LAKE RESOURCES	5255	100001		165 000.00		184 414.51
10	2 EMERY AIR FREIGHT CORP	1000+	14041 14EAF		18 334.38		202 748.89
11	2 BATTLE MOUNTAIN GOLD CO	1500-	14042 14BMGC			21 937.50	180 811.39
14	2 EMERY AIR FREIGHT CORP	2000+	5333 14EAF		175.00		180 986.39
18	2 ALA MOANA HAWAII					4 500.00	185 486.39
19	2 KOMONI PRINTING WTS DUE 20/12/89	5+22015	22KOMO		2 300.00		187 786.39
28	2 11.5000 AUSTRALIAN IND. DEUPT C	90000+	5299 27J1DC		10 350.00		198 136.39
1	3 16 2500 NEW BRUNSWICK ELECTRIC						

CSF INVESTMENTS LTD.
HAMILTON, BERMUDA

11 03099

FROM 01 01 86 TO 31 12 86

4201 KOBEL ASSETS
LEDGER

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT	10000+	5298 27JNEWB	1 625.00		199 761.39
4	3 LTV CORP	100-14,047	14LTV		656.00	199 105.39
6	3 7 7500 CONTINENTAL BANK 07/04/78	175000-	5317 56J097A		175 000.00	24 105.39
10	3 MOBIL CORP	100+	5435 14MOB	38.50		24 143.89
18	3 BATTLE MOUNTAIN GOLD CO.	1500+	5435 14BMGC	26.25		24 170.14
25	3 CHESEBROUGH - PONDS INC.	100+	5435 14CBH	35.00		24 205.14
26	3 9.2500 EMI FINANCE BV	20000-	27043 27JEMI		20 000.00	
26	3 9.2500 EMI FINANCE BV	20000-	27043 27JEMI		1 752.36	
26	3 LTV CORP	100+	5411 14LTV	964.96		3 417.74
28	3 COSFIN B.V.	30000-	15222 74JCO54		30 000.00	26 582.26-
31	3 CALL CHESEBROUGH 100 SH \$35	1+22018	22CBMGG	1 237.36		25 344.90-
7	4 7 7500 CONTINENTAL BANK 07/04/78	175000+	6015 56J097A	175 000.00		
7	4 INTEREST	6015	772201	1 205.36		
7	4 7.2500 CONTINENTAL BANK 09/06/78	176000-	6016 56J160A	176 000.00		25 139.34-
8	4 MGT FEES 1ST QUARTER 1986	6001	101001	1 696.66		26 836.00-
9	4 14.1250 KELLOGS	85000+	27045 27JKELLO	93 712.50		
9	4 14.1250 KELLOGS	85000+	27045 27JKELLO	2 231.25		
9	4 14.1250 KELLOGS	60000-	27044 27JKELLO		66 975.00	
9	4 14.1250 KELLOGS	60000-	27044 27JKELLO		1 575.00	557.75
14	4 US\$/AU\$ AT 7168	6033	101001	19 732.97-		13 586.84-

CSF INVESTMENTS LTD
 HAMILTON, BARBUDA

4201 KOREL ASSETS LEDGER		FROM 01.01.86 TO 31.12.86				
A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT					
15 4	9 2500 EMI FINANCE BV		(SUITE)			
18 4	TR. TO K. RASHID (GULF MARKETING)	20000+	6636 27JEM1	1 850.00		11 736.84-
22 4	NEW FUNDS	6087	100001		31 827.64	43 564.48-
25 4	INTEREST	6434	772201	50 000.00		6 435.52
1 5	XIDEX CORP.			44.29		6 479.81
2 5	CHESEBROUGH - PONDS INC	500+	13005 13X1D	9 282.50		15 762.31
6 5	8 5000 SOCIETE GENERALE WARRANT	100+	14063 14GBM	4 895.64		20 657.95
6 5	8 5000 SOCIETE GENERALE WARRANT	50-	27053 27JSGMT		6 350.00	
9 5	TRANSFER	50-	27053 27JSGMT	7 439.78		14 252.47
9 5	6 6250 I. B. M. CREDIT CORP.	6196	100001		55.58	
9 5	6 6250 I. B. M. CREDIT CORP.	4000+	16022 16JIBM	3 995.00		
20 5	NEW FUNDS	4000+	16022 16JIBM	0.74		25 687.99
2 6	NEW FUNDS	6189	100001	26 490.00		52 177.99
9 6	6 1250 CALL CREDIT SUISSE	6269	100001	79 167.00		131 344.99
9 6	7 2500 CONTINENTAL BANK 09/06/8	125000-	6290 66J000K		125 000.00	
9 6	REDEMPTION	176000+	6317 56J160A	176 000.00		
9 6	INTEREST	6317	772201	2 233.00		
10 6	FIDUCIARY DEPOSIT	178000-	6318 56J190B		178 000.00	6 577.99
16 6	DIVIDEND	100+	6441 14MOB	38.50		6 616.49
16 6	6 1250 CALL CREDIT SUISSE	125000+	6320 66J000K	125 000.00		
16 6	14 7500 UNION CARBIDE	11000-	27059 27JUNCA		11 385.00	
16 6	14 7500 UNION CARBIDE	11000-	27059 27JUNCA			
16 6	CALL INT.	6384	772201	145.83		202.81

CSF INVESTMENTS LTD.
 HAJILIT, BERMUDA

H 03101

FROM 01 01 86 TO 31 12 86

4201 KOREL ASSETS
LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT					
16 6	FOSTER WHEELER CORP					
	DIVIDEND			30.80		120,205.31
18 6	BATTLE MOUNTAIN GOLD CO					
	DIVIDEND	400+	6441 14FWC	26.25		
		1500+	6441 14BMSG			
18 6	5,2500 RNB NEW YORK CALL					
	ON CALL	30000-	6446 6111600		30,000.00	90,231.56
19 6	TR FROM DEFFX			11,183.00		101,414.56
20 6	6,1250 CALL CREDIT SUISSE					
	ON CALL	100000-	6361 661000K		100,000.00	1,414.56
24 6	6,1250 CALL CREDIT SUISSE					
	OFF CALL	100000+	6383 661000K	100,000.00		
24 6	CALL INT			50.00		
24 6	CALL INT			16.66		101,481.22
2 7	HIRAM WALKER					
	PURCHASE	130000-	27066 27JHIWA		98,150.00	
2 7	TR TO ALBON VALUES CORP				2,305.32	
2 7	5,2500 RNB NEW YORK CALL					
	OFF CALL	30000+	7175 6111600	30,000.00		31,025.90
7 7	5,2500 RNB NEW YORK CALL					
	ON CALL	30000-	7175 6111600		30,000.00	
7 7	MGT FEES 2ND QUARTER 1986				2,478.35	1,452.45-
9 7	7,0625 CONTINENTAL BANK 09/07/78					
	REDEMPTION	178000+	7025 561190B	178,000.00		
9 7	INTEREST			1,047.42		
9 7	6,8750 CONTINENTAL BANK 11-08-8					
	FIDUCIARY DEPOSIT	179000-	7026 561223A		179,000.00	
9 7	CALL INTEREST JUNE			69.45		1,335.58-
15 7	9,7500 BOWATER CORPORATION					
	CREDIT INTEREST	15000+	7065 27JBOWA	1,482.50		
15 7	9,7500 BOWATER CORPORATION					
	REDEMPTION	15000+	27070 27JBOWA	15,000.00		
15 7	5,2500 RNB NEW YORK CALL					
	ON CALL	80000-	7175 6111600		80,000.00	64,873.08-
18 7	HIRAM WALKER					
	SALE	91000+	27067 27JHIWA	70,297.50		5,424.42
21 7	8,5000 SOCIETE GENERALE WARRANT					

CSF INVESTMENTS LTD.
 LIABILITY - VERMUDA

 4201 KOREL ASSETS
 LEDGER FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO.	CONTRA	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT		(SUITE) H 03102			
	SALE	75+27069	27J5GWT	9 891.04		15 315.46
28	7 PMT KLINIK BUCHINGER AM BODENSEE	7117	100001	769.79		
28	7 BANK CHARGES	7117	673701	1.16		14 544.51
31	7 CALL INTEREST	7206	772201	351.77		14 896.28
1	8 15.2500 PROV. OF NOVA SCOTIA INTEREST	50000+	7351 14JNOVA	7 625.00		22 521.28
11	8 6.8750 CONTINENTAL BANK 11.08.8	172000+	7187 561223A	179 000.00		
11	8 INTEREST	7187	772201	1 128.08		
11	8 6.3750 CONTINENTAL BANK 11.09.8	180000-	7188 561254A		180 000.00	22 649.36
18	8 6.0000 R.N.B. 02/09/86	110000-	7356 61J245A		110 000.00	87 350.64-
21	8 5.2500 RNB NEW YORK CALL OFF CALL	110000+	7353 61J1600	110 000.00		22 649.36
28	8 5.2500 RNB NEW YORK CALL ON CALL	110000-	7353 61J1600		110 000.00	87 350.64-
29	8 5.2500 RNB NEW YORK CALL OFF CALL	110000+	7353 61J1600	110 000.00		
29	8 5.3750 R.N.B. 03/09/86	110000-	7358 61J246A		110 000.00	87 350.64-
2	9 FIDUCIARY DEPOSIT	7286	100001	258 398.00		
2	9 TRANSFER FM U.B.S., FRIBOURG	7286	100001			
2	9 6.0000 R.N.B. 02/09/86	110000+	7357 61J245A	110 000.00		
2	9 REDEMPTION	7357	772201	271.23		281 318.59
3	9 INTEREST					
3	9 5.3750 R.N.B. 03/09/86	110000+	7369 61J246A	110 000.00		
3	9 REDEMPTION	7369	772201	80.99		
3	9 INTEREST					
3	9 15.0000 SPERRY RAND CURACAO CREDIT INTEREST	50000+	7435 14JSPER	7 500.00		398 899.58
5	9 7.0000 COSFIN BV INVESTMENT	250000-	3519 74JCO55		250 000.00	
5	9 7.0000 COSFIN BV INVESTMENT	40000-	3519 74JCO55		40 000.00	
5	9 15.0000 SPERRY RAND CURACAO SALE	50000+	14094 14JSPER	50 750.00		159 649.58

CSF INVESTMENTS LTD.
 HAMILTON - ERMUDA

KOREL ASSETS LEDGER		FROM 01.01.86 TO 31.12.86		4-03-86			
A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE	
5600001	CASH ACCOUNT		(SUITE)				
8	CALL INT	7371	772201	346.58		159 996.16	
9	US\$/AUS\$ AT 0.6325	24001	101001	23 799.82-	15 053.39		
9	BATTLE MOUNTAIN GOLD CO. SALE	750+	14083 14BMC	13 950.00		158 822.77	
10	9.0000 R.H.M. OVERSEAS FINANCE PURCHASE	100000-	27075 27JRHM		100 000.00		
10	9.0000 R.H.M. OVERSEAS FINANCE ACCRUED INTEREST	100000-	27075 27JRHM		625.00		
10	MOBIL CORP DIVIDEND	100+	7435 14MOB	38.50		58 306.27	
11	6.3750 CONTINENTAL BANK 11.09.8 REDEMPTION	180000+	7315 561254A	180 000.00			
11	ACCRUED INTEREST	7315	772201	988.13			
11	5.2500 RMB NEW YORK CALL ON CALL	110000-	7438 6111600		110 000.00	129 294.40	
12	MOBIL CORP SALE	100+	14089 14MOB	3 841.54		133 135.94	
15	FOSTER WHEELER CORP DIVIDEND	400+	7435 14FMC	30.80		133 166.74	
16	1.0870 S.N.C.F. PART PAID 15/9/ PURCHASE	50000-	27076 27JSMCF		6 750.00		
16	1.0870 S.N.C.F. PART PAID 15/9/ ACCRUED INTEREST	50000-	27076 27JSMCF		1 51	126 615.23	
18	US\$/HK\$ AT 7.8035	7364	101001		17 356.38		
18	BATTLE MOUNTAIN GOLD CO. DIVIDEND	1500+	7435 14BMC	26.25		102 085.10	
19	MCI COMMUNICATIONS CORP PURCHASE	500-	14085 14MCI		3 812.50	105 272.60	
24	AUS\$/US\$ AT .6375	7378	101001	9 091.36-	5 795.74		
24	BATTLE MOUNTAIN GOLD CO. SALE	510+	14092 14BMC	9 881.25		109 358.11	
25	BATTLE MOUNTAIN GOLD CO. SALE	240+	14088 14BMC	4 650.00		114 008.11	
26	12.0000 BANK OF AMERICA PURCHASE	100000-	27077 27JBOA		101 000.00		
26	12.0000 BANK OF AMERICA						

CSF INVESTMENTS L
6 HAMILTON, VERMUDA

 4201 KOREL ASSETS
 LEDGER FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT	100000-27077	27JBOA				7 641.4
29	9 MCI COMMUNICATIONS CORP	60+14091	14MCI		472.50		8 113.9
7 10	CALL INTEREST	8029	772201	H 03104	300.61		8 414.5
15 10	MGT FEES 3RD QUARTER 1986	8001	101001			2 926.01	5 488.5
16 10	UNIT DRILLING & EXPL. CO.	800+	8204 13UDE		2 500.00		
16 10	UNIT CORPORATION	800-	8204 13UNC			2 500.00	5 488.5
3 11	CALL INTEREST	8193	772201		490.48		5 979.0
7 11	INTEREST COS5 5/9-31/10/86	4203	772301		3 114.51		9 093.5
10 11	5.2500 RNB NEW YORK CALL						
	OFF CALL	110000+	8199 6113600		110 000.00		119 093.5
12 11	CITIZENS FINANCIAL GROUP INC	1000-14100	14CITN				
	PURCHASE	22026	101001	34.0 285.70-		37 838.03	81 255.5
25 11	MK/US\$ AT 20.455					69 605.44	11 650.0
1 12	7.0000 HTEL CORP. CV EXTL 97	100000+	8362 27JMIT		7 000.00		18 650.0
2 12	9.2500 EMI FINANCE BV	20000+27098	27JEMI		20 200.00		
2 12	9.2500 EMI FINANCE BV	20000+27098	27JEMI		1 166.52		40 016.5
11 12	ACCRUED INT						
	COSFIN B.V.	31949+	4435 74JCOS4		31 949.32		
11 12	REDEPTION	290000+	4436 74JCOS5		290 000.00		
	REDEMPTION	4436	772301		2 280.27		364 246.11
11 12	16.2500 INT FROM 1/11/86						
15 12	16.2500 NEW BRUNSWICK ELECTRIC	10000+	8350 27JNEWR		11 700.00		
	SALE						
15 12	16.2500 NEW BRUNSWICK ELECTRIC	10000+	8350 27JNEWR		1 304.51		
15 12	CREDIT INTEREST	11000+	8356 27JUNCA		11 330.00		
	SALE						
15 12	14.7500 UNION CARBIDE	11000+	8356 27JUNCA		1 027.58		
	CREDIT INTEREST						
15 12	9 8750 PROCTER & GAMBLE COMPANY						

CSF INVESTMENTS LTD.
 HAMILTON, N.E. BRUNSWICK

 4201 KOREL ASSETS
 LEDGER FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT		(SUITE)			
	INTEREST	35000+	8360 27JPROC	3 456.25		
15 12	FOSTER WHEELER CORP	400+	8487 14FUC	30 80		393 095.32
17 12	CITIZENS FINANCIAL GROUP INC	1000+	14101 14CITN	37 762.70		
17 12	FOSTER WHEELER CORP	400+	14102 14FUC	5 016.02		
17 12	MCI COMMUNICATIONS CORP	440+	14105 14MCIC	3 135.00		
17 12	PAN AMERICAN WORLD AIRWAY LTD	200+	14106 14PN	944.50		
17 12	ALA MOANA HAWAII	3000+	14110 14ALA	1 199.52		441 153.06
19 12	12.1250 PRUDENTIAL REALTY SEC. S	50000+	27081 27JPRUR	59 500.00		
19 12	12.1250 PRUDENTIAL REALTY SEC. S	50000+	27081 27JPRUR	5 624.65		
19 12	1.0870 S.N.C.F. PART PAID 15/9/	50000+	27084 27JSNCF	5 562.50		
19 12	1.0870 S.N.C.F. PART PAID 15/9/	50000+	27084 27JSNCF	161.98		
19 12	7.0000 MTEL CORP CV EXTL 97	100000+	27086 27JMIT	122 000.00		
19 12	7.0000 MTEL CORP CV EXTL 97	100000+	27086 27JMIT	350.00		
19 12	12.0000 HAMERSON PROP. INV DEUPT	25000+	27087 27JHAME	27 625.00		
19 12	12.0000 HAMERSON PROP. INV DEUPT	25000+	27087 27JHAME	2 925.00		
19 12	HIRAH WALKER	39000+	27088 27JHIWA	31 005.00		
19 12	12.0000 BANK OF AMERICA	100000+	27089 27JBOA	101 000.00		
19 12	12.0000 BANK OF AMERICA	100000+	27089 27JBOA	8 133.33		
19 12	11.5000 CANADA					

H 03105

CSF INVESTMENTS LTD.
 HEADQUARTERS - RAMUDA

4201 KOPEL ASSETS LEDGER		FROM 01_01_86 TO 31_12_86				
A/C	NAME & DESCRIPTION	DOC_NO	CONTRA	DEBIT	CREDIT	BALANCE
5600001	CASH ACCOUNT		(SUITE)			
	SALE	75000+27091	27JCAN4	84,375.00		
19_12_11	5000 CANADA	75000+27091	27JCAN4	6,396.88		
19_12_11	5000 AUSTRALIAN IND DEVT_C	90000+27092	27JAIDC	99,450.00		
19_12_11	5000 AUSTRALIAN IND DEVT_C	90000+27092	27JAIDC	8,366.25		
19_12_9	0000 R.H.M. OVERSEAS FINANCE	100000+27093	27JRHM	100,500.00		
19_12_9	0000 R.H.M. OVERSEAS FINANCE	100000+27093	27JRHM	3,100.00		4,031.06
19_12_7	7500 SONY CORPN EX WARRANTS	75000+27095	27JSON	75,000.00		
19_12_7	7500 SONY CORPN EX WARRANTS	75000+27095	27JSON	3,697.40		
19_12_9	8750 PROCTER & GAMBLE COMPANY	35000+27097	27JPROC	37,275.00		
19_12_9	8750 PROCTER & GAMBLE COMPANY	35000+27097	27JPROC	38.40		
19_12_15	2500 PROV OF NOVA SCOTIA	50000+14116	14JNOVA	57,500.00		
19_12_15	2500 PROV OF NOVA SCOTIA	50000+14116	14JNOVA	2,922.92		1,283,662.37
22_12	UNIT CORPORATION	800+13008	13UNC	935.96		
22_12	XIDEX CORP	500+13009	13XID	5,710.00		
22_12	6.6250 I.P.M. CREDIT CORP	6000+16051	16IIBM	5,970.00		
22_12	6.6250 I.B.M. CREDIT CORP	6000+16051	16IIBM	247.33		
23_12	SFR/US\$ AT 1.6625	8418	101001	126,893.15		1,296,505.66
23_12	DM./US\$ AT 1.9858	11	188.40+	5,634.20		
23_12	YEN/US\$ AT 1.9858	800	474.50+	4,907.87		
23_12	HK\$/US\$ AT 4.909	300	000.00+	61,112.24		
23_12	HK\$/US\$ AT 7.801	163	089.01+	20,906.16		

CSF INVESTMENTS LTD.
 MAAILI, ST. PIERRE, ST. HELENA

4.201 KOREL ASSETS LEDGER		FROM 01 01 86 TO 31 12 86					
A/C.	NAME & DESCRIPTION	DOC. NO.	CONTRA	DEBIT	CREDIT	BALANCE	
5600001	CASH ACCOUNT		(SUITE)				
23 12	RU\$/US\$ AT 7.801	8418	101001	34 221.16			
23 12	MGT FEES 4TH QUARTER 86	8428	101001		3 144.69	1 547 035.75	
30 12	5.4375 CIBC CERTIFICATES DEPOSIT PURCHASE	1546000-	8475 08JCD		1 546 000.00	1 035.75	
TRANSACT. & BALANCE				584076-	933 348.66+	4 216 429.88	1 035.75
5600003	***** CASH ACCOUNT		DM				
22 10	7.2500 KINGDOM OF SWEDEN ACCRUED INTEREST	10000-	8091 27JSHED		522.39		
22 10	7.2500 KINGDOM OF SWEDEN PURCHASE	10000-	8091 27JSHED		10 450.00		
22 10	DM/SFR AT 0.8275		8091 101003	9 079.65+		0.00	
15 12	7.2500 KINGDOM OF SWEDEN SALE	10000+	8343 27JSHED	10 550.00			
15 12	7.2500 KINGDOM OF SWEDEN CREDIT INTEREST	10000+	8343 27JSHED		638.40	11 188.40	
23 12	DM /US\$ AT 1.9858		8418 101003	5 634.20-		0.00	
TRANSACT. & BALANCE				584076-	3 445.45+	22 160.79	0.00
5600010	***** CASH ACCOUNT		YEN				
1	BROUGHT FORWARD	200550-		7 800.00+	371 227.00	371 227.00	
22 1	TEIKOKU TSUSHIN (6763) DIVIDEND				1 540.00		
22 1	SAFE CUSTODY CHARGES	550+	5154 15TEIKO		106.00	372 661.00	
28 1	TOYODA MACHINE WORKS PURCHASE		5154 101010				
30 4	TOYODA MACHINE WORKS SALE	400-20008	20TOMA		381 780.00	9 119.00-	
30 4	PROXY FEE	400+20016	20TOMA		382 908.00		
6 6	TOKYO MARINE FIRE	6443	673710		43.00	373 746.00	

CSF INVESTMENTS LTD.
 HAMILTON, BERMUDA

 4201 KOREL ASSETS
 LEDGER FROM 01 01 86 TO 31 12 86

A/C.	NAME & DESCRIPTION	DOC NO	CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
5600010	CASH ACCOUNT						
	PURCHASE	300-15041	151OKI			372 368.00	1 378.00
1	7 1250 PROVINCE OF NEW BRUNSWIC						
	CREDIT INTEREST	100000+	7156 16JNEW		7 125 00		8 503 00
15	7 TOKIO MARINE FIRE						
	SALE	300+15047	151OKI		384 330.00		
15	7 TEIKOKU TSUSHIN (6763)						
	SALE	550+15045	151EIKO		303 776 00		696 609 00
17	7 TEIKOKU TSUSHIN (6763)						
	DIVIDEND	550+ 7323	151EIKO		1 540 00		698 149 00
23	7 TOYODA MACHINE WORKS						
	DIVIDEND	400+ 7141	201OMA		1 870 00		700 019 00
4	8 3.6000 SHIMACHU CO.,LTD.						
	PURCHASE	300000-60340	16JSHIM		426 384.00		
4	8 3.6000 SHIMACHU CO.,LTD						
	ACCURED INTEREST	300000-60340	16JSHIM		4 180.92		
4	8 4.8000 MAZDA CV						
	PURCHASE	200000-21086	21JMAZD		217 296.00		
4	8 4.8000 MAZDA CV						
	ACCURED INTEREST	200000-21086	21JMAZD		2 019.94		50 138 14
11	8 SUMITOMO MARINE						
	PURCHASE	40-21089	21SUMAR		40 304 00		9 834 14
19	8 SUMITOMO MARINE						
	SALE	40+21094	21SUMAR		44 964.52		
19	8 NIPPON SHEET GLASS						
	PURCHASE	50-21093	21NISH		40 129.10		14 669 56
27	8 4.8000 MAZDA CV						
	SALE	200000+21104	21JMAZD		231 099 74		
27	8 4.8000 MAZDA CV						
	ACCURED INTEREST	200000+21104	21JMAZD		2 503 89		248 273 19
30	8 3.6000 SHIMACHU CO.,LTD.						
	INTEREST	300000+ 7274	16JSHIM		4 320 00		252 593 19
16	9 NIPPON SHEET GLASS						
	SALE	50+21107	21NISH		44 442 50		297 035 66
17	9 2.0000 MATSUSHITA EL WORKS CV 3						
	PURCHASE	100000-21109	21JMEW			145 000.00	
17	9 2.0000 MATSUSHITA EL WORKS CV 3						

CSF INVESTMENTS LTD
 HAMILTON, BERMUDA

 4201 KOREL ASSETS
 LEDGER FROM 01_01_86 TO 31_12_86

A/C	NAME & DESCRIPTION	DOC. NO. CONTRA	DEBIT	CREDIT	BALANCE
5600010	CASH ACCOUNT	(SUITE)			
	ACCURED INTEREST	100000-21109 21JMEW		83.20	151,952.49
1 10	2.0000 MATSUSHITA EL WORKS CV 3		163,275.76		
1 10	2.0000 MATSUSHITA EL WORKS CV 3		144.63		315,372.88
8 12	3.6000 SHINACHU CO.,LTD.		371,831.25		H 03109
8 12	3.6000 SHINACHU CO.,LTD.				
15 12	ACCURED INTEREST	300000+16050 16JSHIM	2,636.37		689,840.50
	SALE	100000+ 8332 16JNEW	107,375.00		
15 12	7.1250 PROVINCE OF NEW BRUNSWIC		3,259.00		800,474.50
23 12	CREDIT INTEREST	100000+ 8332 16JNEW		800,474.50	0.00
	YEN/US\$ AT 1.9858	8418.101010	4,907.87-		
	TRANSACT. & BALANCE	4,01500+	2,892.13+	2,430,168.66	2,430,168.66
5600012	***** CASH ACCOUNT				
		MEK			
25 11	MK\$/US\$ AT 20.455	22026 101012	69,605.44+	340,285.70	
25 11	POHJOLA (NEWS) B				
	PURCHASE	4000-22026 22POHJ		340,285.70	0.00
22 12	POHJOLA (NEWS) B				
	SALE	4000+22030 22POHJ	300,000.00		300,000.00
23 12	MK\$/US\$ AT 4.909	8418.101012	61,112.24-		0.00
	TRANSACT. & BALANCE		8,493.20+	640,285.70	640,285.70
5600017	***** CASH ACCOUNT				
					HK\$
12 9	HONG KONG LAND				
	PURCHASE	20000-24002 24HKL		135,440.50	135,440.50
18 9	US\$/HK\$ AT 7.8035	7364.101017	135,440.50		0.00
4 11	DAIRY FARM				

CSF INVESTMENTS LTD
MARKET - FIMUDA

FROM 01 01 86 TO 31 12 86

4201 KOREL ASSETS
 LEDGER

A/C	NAME & DESCRIPTION	DOC. NO. CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
5600017	CASH ACCOUNT	2000+24005	24EF	4 961.25		
	SALE					
4 11	HONG KONG LAND	764-24006	24HKL	4 960.44		0 81
	PURCHASE					
17 12	HONG KONG LAND	20764+24008	24HKL	134 759.08		0 03110
	SALE					
17 12	DAIRY FARM	24007	24DF	6 254.54		
	COST ON DAIRY FARM					
17 12	DAIRY FARM	8000+24007	24DF	34 583.66		163 089.01
	SALE	8418	101017	20 906.16-	163 089.01	0.00
23 12	HK\$/US\$ AT 7.801					
	TRANSACT. & BALANCE	10000+		20 906.16-	309 744.49	0.00

\$AU

A/C	NAME & DESCRIPTION	DOC. NO. CONTRA	(SUITE)	DEBIT	CREDIT	BALANCE
5600020	***** CASH ACCOUNT					
7 3 14	2500 SCANDINAVIAN AIRLINE SYS	20000-	5418 221SAS		19 725.00	
	PURCHASE					
7 3 14	2500 SCANDINAVIAN AIRLINE SYS	20000-	5418 221SAS		7.97	19 732.97
	ACCURED INT.	6033	101020	14 144.59+	19 732.97	0.00
14 4	US\$/AU\$ AT 7.168	24001	101020	15 053.39+	23 799.82	
9 9	US\$/AU\$ AT 0.6325					
9 9	TECHNOMIN	50000-	24001 24TECH		23 799.82	0.00
	PURCHASE					
23 9	TECHNOMIN	20000-	24003 24TECH		9 091.36	9 091.36
	PURCHASE	7378	101020	5 795.74+	9 091.36	0.00
24 9	AU\$/US\$ AT 6375					
22 12 14	2500 SCANDINAVIAN AIRLINE SYS	20000+22028	221SAS	20 050.00		
	SALE					
22 12 14	2500 SCANDINAVIAN AIRLINE SYS	20000+22028	221SAS	2 264.17		22 314.17
	CREDIT INTEREST					
23 12	TECHNOMIN	70000+	24009 24TECH	28 952.56		0.00
	SALE	8418	101020	34 221.16-	51 266.73	
23 12	AU\$/US\$ AT 7.801					
	TRANSACT. & BALANCE	722.56+		103 890.88	103 890.88	0.00

CSF INVESTMENTS LTD.
HABILITACION PERUANA

4.201 KOREL ASSETS
LEDGER FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
5600300	***** CSF INVOICES		FS			
24	4 INV 1183		101000		H 03111	
29	4 PMT INV NO 1183	2158	101000	5 000 00	5 000 00	5 000 00 -
16	7 INV 1321		101000			0 00
22	7 PMT INV NO 1321	3115	101000	3 000 00	3 000 00	3 000 00 -
				3 000 00		0 00

TRANSACT & BALANCE

8 000 00 8 000 00 0 00

CSF INVESTMENTS LTD.
HAMILTON - BRUNDA

4201 KOREL ASSETS
LEDGER

FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
6	***** CHARGES		US\$			
673701	***** BANK CHARGES		US\$		H 03112	
28	7 BANK CHARGES	7117	5600001	1.16		1.16
	TRANSACT. & BALANCE			1.16	0.00	1.16
673710	***** BANK CHARGES		YEN			
30	4 PROXY FEE	6443	5600010	43.00		43.00
	TRANSACT. & BALANCE			43.00	0.00	43.00

GSE INVESTMENTS LTD.
INCORPORATED IN BERMUDA

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
4201	KOREL ASSETS LEDGER	FROM 01 01 86 TO 31 12 86				
7	***** INCOME		US\$			
760900	***** REAL GAINS/LOSSES - CREDIT SUISSE FS					H 03113
4	1 7500 SUMITOMO EL. IND CV		091SU E		3 258.69	3 258.69-
9	1 8750 ITOHAM FOODS INC SFR WT		091J10H		1 473.51	4 732.20
18 11	8750 ELECTRO CHEMICAL (EX DEN		091DENK	949.68		3 782.52-
15 12	5 6250 ISHII FOOD CO.		091J1SHI		285.00	4 067.52-
18 12	6 7500 VILLE DE LAVAL		091JVILL	240.65		
18 12	5 6250 MITSUBA ELECTRIC MFG		091JMELC	7.70		3 819.17-
	LOSS					
	TRANSACTION & BALANCE			1 198.03	5 017.20	3 819.17-
761301	***** REAL GAINS/LOSSES - ROSE & CO.		US\$			
1	5 XIDEX CORP.		13X1D		2 782.50	2 782.50
22 12	UNIT CORPORATION		13UNC	1 564.04		
22 12	XIDEX CORP.		13X1D	790.00		428.46-
	LOSS					
	TRANSACTION & BALANCE			2 354.04	2 782.50	428.46-

CSF INVESTMENTS LTD.
 HAMILTON, CANADA

 4201 KOREL ASSETS
 LEDGER FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
761401	***** REAL GAINS/LOSSES - BEAR STEARNS US\$					
5	2 EMERY AIR FREIGHT CORP.					
	GAIN	14EAF			1 663.51	1 663.51
10	2 EMERY AIR FREIGHT CORP.					
	GAIN	14EAF			1 368.96	3 032.47
26	3 LTV CORP.					
	GAIN	14LTV			308.96	3 341.43
2	5 CHESEBROUGH - FONDUS INC.					
	GAIN	14CBM			841.14	4 182.57
5	9 15.0000 SPERRY RAND CURACAO					
	LOSS	14JSPER		2 750.00		1 432.57
9	9 BATTLE MOUNTAIN GOLD CO.					
	GAIN	14BMGC			2 981.25	4 413.82
12	9 MOBIL CORP.					
	GAIN	14MOB			866.54	5 280.36
24	9 BATTLE MOUNTAIN GOLD CO.					
	GAIN	14BMGC			2 422.50	7 702.86
25	9 BATTLE MOUNTAIN GOLD CO.					
	GAIN	14BMGC			1 140.00	8 842.86
29	9 MCI COMMUNICATIONS CORP.					
	GAIN	14MCI			15.00	8 857.86
17	12 CITIZENS FINANCIAL GROUP INC.					
	LOSS	14CITN		75.33		
17	12 FOSTER WHEELER CORP.					
	LOSS	14FWC		297.76		
17	12 MCI COMMUNICATIONS CORP.					
	LOSS	14MCI		220.00		
17	12 PAN AMERICAN WORLD AIRWAY LTD.					
	LOSS	14PN		655.94		
17	12 ALA MOANA HAWAII					
	GAIN	14ALA			599.52	8 208.35
19	12 15 2500 PROV. OF NOVA SCOTIA					
	LOSS	14JNOVA		379.01		7 829.34
	TRANSACT & BALANCE			4 378.04	12 207.38	7 829.34

CSF INVESTMENTS LTD
 HONOLULU, HAWAII

 4201 KOREL ASSETS FROM 01 01 86 TO 31 12 86
 LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
761510	***** REAL GAINS/LOSSES - NIKKO		YEN		H 03115	
15 7	15 TOKIO MARINE FIRE GAIN		15TOKI	11 962.00		
15 7	15 TEIKOKU TSUSHIN (6743) GAIN		15TEIKO	13 376.00		25 338.00-
	TRANSACT. & BALANCE			0.00	25 338.00	25 338.00-
761600	***** REAL GAINS/LOSSES - NOMURA		FS			
12 9	12 9750 AOKI CORPORATION OSAKA (GAIN		16JAOKI	117.00		117.00-
	TRANSACT. & BALANCE			0.00	117.00	117.00-
761601	***** REAL GAINS/LOSSES - NOMURA		US\$			
22 12	22 12 6.6250 I.B.M. CREDIT CORP. LOSS		16JIBM	22.50		22.50
	TRANSACT. & BALANCE			22.50	0.00	22.50
761610	***** REAL GAINS/LOSSES - NOMURA		YEN			
8 12	8 12 3.6000 SHIMACHU CO., LTD. LOSS		16JSHIM	54 552.75		54 552.75
15 12	15 12 7.1250 PROVINCE OF NEW BRUNSWIC GAIN		16JNEW	4 595.19		49 957.56
	TRANSACT. & BALANCE			54 552.75	4 595.19	49 957.56

CSF INVESTMENTS LTD.
 HAMILTON, BARBUDA

 4201 KOREL ASSETS
 LEDGER FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
761800	***** REAL GAINS/LOSSES - MERRILL LYNCH FS					
19 12	6 0000 WORLD BANK GAIN	18JWORB			1 800.00	1 800.00
	TRANSACT. & BALANCE			0.00	1 800.00	1 800.00
762010	***** REAL GAINS/LOSSES - WAKO SECURITIES YEN					
30 4	JOYODA MACHINE WORKS GAIN	20TOMA			1 128.00	1 128.00
	TRANSACT. & BALANCE			0.00	1 128.00	1 128.00
762110	***** REAL GAINS/LOSSES - DAIWA		YEN			
19 8	SUMITOMO MARINE GAIN	21SUMAR			4 660.52	4 660.52
27 8	4 8000 MAZDA CV GAIN	21JMAZD			13 803.74	18 464.26
16 9	NIPPON SHEET GLASS GAIN	21NISH			4 313.40	22 777.66
1 10 2	0000 MATSUSHITA EL WORKS CV 3 GAIN	21JMEW			18 275.76	41 053.42
	TRANSACT. & BALANCE			0.00	41 053.42	41 053.42
762201	***** REAL GAINS/LOSSES - MORGAN STANLEY US\$					
19 2	KOMONI PRINTING HTS DUE 20/12/89 GAIN	22KOMO			4.00.00	4.00.00
31 3	CALL CHESEBROUGH 100 SH \$35 GAIN	22CBMGG			378.16	778.16

CSF INVESTMENTS LTD.
HONG KONG SECURITIES & INVESTMENTS COMPANY LIMITED

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
4201	KOREL ASSETS LEDGER	FROM 01 86 TO 31 12 86				
762201	REAL GAINS/LOSSES - MORGAN STA	(SUITE)				
	TRANSACT. & BALANCE			0 00	778.16	778.16-
762212	***** REAL GAINS/LOSSES - MORGAN STANLEY MFK					
22 12	POHJOLA (NEWS) B LOSS	22POHJ		40 285 70		40 285.70
	TRANSACT. & BALANCE			40 285.70	0.00	40 285.70
762220	***** REAL GAINS/LOSSES - MORGAN STANLEY \$AU					
22 12 14	2500 SCANDINAVIAN AIRLINE SYS GAIN	2231SAS			325.00	325.00-
	TRANSACT. & BALANCE			0.00	325.00	325.00-
762417	***** REAL GAINS/LOSSES - REED STENHOUSE HK\$					
4 11	DAIRY FARM GAIN	24DF			1 873.15	1 873.15-
17 12	HONG KONG LAND GAIN	24HKL			9 798.64	
17 12	DAIRY FARM GAIN	24DF			15 976.72	27 648.51-
	TRANSACT. & BALANCE			0.00	27 648.51	27 648.51-

CSF INVESTMENTS LTD
MOJILIT - SRMUDA

4201 KOREL ASSETS FROM 01 01 86 TO 31 12 86

6/C NAME & DESCRIPTION DOC NO CONTRA DEBIT CREDIT BALANCE

762420 ##### REAL GAINS/LOSSES - REED STENHOUSE \$40 H 03118

23 12 TECHNOMIN 24TECH 2 938.67 2 938.67

TRANSACTION & BALANCE 2 938.67 0.00 2 938.67

762701 ##### REAL GAINS/LOSSES - STRAUSS TURNER US\$

9 4 14 1250 KELLOGS 27JKELLO 1 653.65

9 4 14 1250 KELLOGS 27JKELLO 264.24

15 7 5 7500 BOWATER CORPORATION 27JBOWR 11.50

18 7 HIRAM WALKER 27JHIWA 1 592.50

21 7 8 5000 SOCIETE GENERALE WARBANT 27JSGMT 264.04

2 12 9 2500 EM' FINANCE BV 27JEMI 10.00

15 12 14 2500 NEW BRUNSWICK ELECTRIC 27JNEWP 274.92

15 12 14 7500 UNION CARDIDE 27JUNSD 5.24

15 12 12 1250 PRUDENTIAL REALTY SEC... 27JPRPD 202.24

19 12 1 0870 S.N.E.F. PART PAID 15/97 27JSPFI 1 182.10

19 12 7 0000 MIEL CORP - CV EXTL 97 27JMI 2 000.00

15 12 12 0000 HAMERSON PROP INV DEVT 27JHAML 1 587.21

19 12 HIRAM WALKER 27JHIWA 560.00

CSF INVESTMENTS LTD
MAJESTY, BERMUDA

4021 COREL ASSETS FROM 01 01 86 TO 31 12 86
LEGER

DATE	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
12 31	REAL GAINS/LOSSES - STRAUSS TU	(SUITE)			
12 31	11 5000 CANADA				
	GAIN			9 375 00	H 03119
	11 5000 315 CALIFORNIA DEPT C				
	GAIN			1 452 56	
12 31	9 0000 3 4 4 4 EVEREAS FINANCE				
	GAIN			500 00	
12 31	7 7500 SONY CORP EX WARRANTS				
	GAIN			12 123 51	
12 31	9 8750 PSCOFFER & SAMBLG COMPANY				
	GAIN			2 275 00	58 330 64
	TRANSACT & BALANCE		1 998 74	58 888 38	56 889 64

12 31	***** REAL GAINS/LOSSES - STRAUSS TURNBU DM				
12 31	7 2500 KINGDOM OF SWEDEN				
	GAIN			100 00	100 00
	TRANSACT & BALANCE		0 00	100 00	100 00

DATE	NAME & DESCRIPTION	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
7 11 00	***** INTEREST EARNED ON BONDS				
	FS				

31	1 7500 SUMITOMO EL IND CV	10000- 5400 5600000		87 50	87 50
	CREDIT INTEREST				
1	6 0000 WORLD BANK	60000- 5418 5600000		3 600 00	3 687 50
	CREDIT INTEREST 2273/86				
2	6 7500 VILLE DE LAVAL	30000- 6013 5600000		2 025 00	5 712 50
	CREDIT INTEREST				
4	1 7500 SUMITOMO EL IND CV	10000- 9002 5600000		1 94	5 714 44
	CREDIT INTEREST				
12	8750 AOKI CORPORATION 05/86	5000-16642 5600000		6 14	5 720 58
	ACCRUED INTEREST				
12 31	5 6250 MITSUBA ELECTRIC MFG				
	AMORT DDS-PREM			26 73	

CSF INVESTMENTS LTD
 HAMILTON, CANADA

4201 KOREL ASSETS FROM 01 01 86 TO 31 12 86
 LEDGER

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
771100	INTEREST EARNED ON BONDS		(SUITE)			
10 10	5.6250 MITSUBA ELECTRIC MFG	25000-	8027 5600000		1 406 25	7 152 54
15 10	5.6250 ISHII FOOD CO	19000-	8035 5600000		1 068 75	8 222 31
18 11	8750 ELECTRO CHEMICAL (EX DEN	10000-	9012 5600000		31 60	8 253 91
15 12	5.6250 ISHII FOOD CO	19000-	8338 5600000		178 61	8 432 54
18 12	6 7500 VILLE DE LAVAL	30000-	9015 5600000		1 440 00	
18 12	5.6250 MITSUBA ELECTRIC MFG	25000-	9014 5600000		265 63	10 138 17
19 12	6 0000 WORLD BANK	60000-	8326 5600000		2 670 00	12 808 17
	CREDIT INTEREST					
	TRANSACT. & BALANCE		304000-	0 00	12 808 15	12 808 17

771101	***** INTEREST EARNED ON BONDS	US\$
15 1 14 1250	KELLOGS	
	AMORT BDS PREM	5030 101001
15 1 14 1250	KELLOGS	
	CREDIT INTEREST	25600- 5030 56000001
28 2 11 5000	AUSTRALIAN IMP. DEPT. C	
	AMORT BDS PREM	
28 2 11 5000	AUSTRALIAN IMP. DEPT. C	
	CREDIT INTEREST	5000- 5000 5600000
1 3 16 2500	NEW BRUNSWICK ELECTRIC	
	AMORT BDS PREM	5298 101001
1 3 16 2500	NEW BRUNSWICK ELECTRIC	
	CREDIT INTEREST	10000- 5298 56000001
28 2 6 4500	EMI FINANCE B'Y	
	ACCURED INTEREST	20600- 270-2 5600001
1 3 14 1250	KELLOGS	
	CREDIT INTEREST	85600- 27045 5600001
	TRANSACT. & BALANCE	0 00
	*****	12 808 15
	*****	12 808 17

GSE INVESTMENTS LTD.
 REALTY OF BRUNSWICK

 4201 KOREL ASSETS
 LEDGER FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
771101	INTEREST EARNED ON BONDS		(SUITE)			
9 4	14,1250 KELLOGS	60000+27044	5600001	1 575.00		12 392.10-
15 4	9 2500 EMI FINANCE BV					
	CREDIT INTEREST	20000-	6436 5600001		1 850.00	14 242.10-
6 5	8 5000 SOCIETE GENERALE WARRANT					
	ACCRUED INT	50+27053	5600001	55.48		14 186.62-
9 5	6 6250 I R M CREDIT CORP					
	ADJ ACCRUED INT	4000-16022	5600001		0 74	14 187.36-
16 6	14 7500 UNION CARBIDE					
	ACCRUED INT	11000+27059	5600001	202.81		13 984.55-
15 7	9 7500 ROUAIER CORPORATION					
	CREDIT INTEREST	15000-	7065 5600001		1 462.50	15 447.05-
1 8	15 2500 PROV OF NOVA SCOTIA					
	AMORT ADS PREM	7351 814	INNOVA		1 379.01	
1 8	15 2500 PROV OF NOVA SCOTIA					
	INTEREST	50000-	7351 5600001		7 625.00	24 451.06-
3 9	15 0000 SPERRY RAND CURACAO					
	CREDIT INTEREST	50000-	7435 5600001		7 500.00	31 951.06-
10 9	9 0000 R H M OVERSEAS FINANCE					
	ACCRUED INTEREST	100000+27075	5600001	625.00		31 326.06-
16 9	1 0870 S N C F PART PAID 15/97					
	ACCRUED INTEREST	50000+27076	5600001	1.51		31 324.55-
26 9	12 0000 BANK OF AMERICA					
	ACCRUED INTEREST	100000+27077	5600001	5 366.66		25 957.89-
1 12	7 0000 MITEL CORP. CV EXTL 97					
	INTEREST	100000-	8362 5600001		7 000.00	32 957.89-
2 12	9 2500 EMI FINANCE BV					
	ACCRUED INT.	20000-27098	5600001		1 166.52	34 124.41-
15 12	16 2500 NEW BRUNSWICK ELECTRIC					
	CREDIT INTEREST	10000-	8350 5600001		1 304.51	
15 12	14 7500 UNION CARBIDE					
	CREDIT INTEREST	11000-	8356 5600001		1 027.58	
15 12	9 8750 PROCTER & GAMBLE COMPANY					
	INTEREST	35000-	8360 5600001		3 456.25	39 912.75-
19 12	12 1250 PRUDENTIAL REALTY SEC 'S					
	CREDIT INTEREST	50000-	27981 5600001		5 624.65	

CSF INVESTMENTS LTD
FAMILY TRUST - ERMOUDA

4201 KOREL ASSETS
 LEDGER

FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
771101	INTEREST EARNED ON BONDS		(SUITE)			
19 12	1.0870 S.N.C.F. PART PAID 15/9/	50000-27084	5600001		141.98	
19 12	CREDIT INTEREST					H 03122
19 12	7.0000 MTEL CORP. CV EXTL 97	100000-27086	5600001		350.00	
19 12	CREDIT INTEREST					
19 12	12.0000 HAYERSON PROP. INV. DEVT	25000-27087	5600001		2 925.00	
19 12	CREDIT INTEREST					
19 12	11.5000 BANK OF AMERICA	100000-27089	5600001		8 133.33	
19 12	CREDIT INTEREST					
19 12	11.5000 AUSTRALIAN IND. DEVPT. C	75000-27091	5600001		6 396.88	
19 12	CREDIT INTEREST					
19 12	9.0000 R.H.M. OVERSEAS FINANCE	90000-27092	5600001		8 366.25	
19 12	CREDIT INTEREST					
19 12	7.7500 SONY CORPN. EX WARRANTS	100000-27093	5600001		3 100.00	
19 12	CREDIT INTEREST					
19 12	9.8750 PROCTER & GAMBLE COMPANY	75000-27095	5600001		3 697.40	
19 12	CREDIT INTEREST					
19 12	15.2500 PROV. OF NOVA SCOTIA	35000-27097	5600001		38.40	
22 12	CREDIT INTEREST	50000-14116	5600001		2 922.92	81 609.56
22 12	6.8250 I.B.H. CREDIT CORP.	6000-16051	5600001		247.33	81 856.89
22 12	CREDIT INTEREST					

TRANSACTION & BALANCE 939950- 10 878.11 92 735.00 81 856.89

A/C	NAME & DESCRIPTION	DM	DEBIT	CREDIT	BALANCE
771103	***** INTEREST EARNED ON BONDS				
22 10	7.2500 KINGDOM OF SWEDEN				
15 12	ACCRUED INTEREST	10000+ 8091	5600003	522.39	522.39
15 12	7.2500 KINGDOM OF SWEDEN				
15 12	CREDIT INTEREST	10000- 8343	5600003		638.40
15 12	CREDIT INTEREST				116.01

TRANSACTION & BALANCE 522.39 638.40 116.01

CSF INVESTMENTS LTD.
 HAMBURG, GERMANY

4201 KOREL ASSETS		FROM 01 01 86 TO 31 12 86				
LEDGER						
A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
771110	***** INTEREST EARNED ON BONDS		YEN			H-03123
1 7	7.1250 PROVINCE OF NEW BRUNSWIC	7146 8		220 19		
	AMORT. BDS PREM					
1 7	7.1250 PROVINCE OF NEW BRUNSWIC	100000-	7156 5600010		7 125 00	6 904 81
4 8	3.6000 SHIMACHU CO., LTD.	300000+	60340 5600010	4 180 92		
4 8	4.8000 MAZDA CV	200000+	21086 5600010	2 019 94		703 95-
27 8	4.8000 MAZDA CV	200000-	21104 5600010		2 503 89	3 207 84-
30 8	3.6000 SHIMACHU CO., LTD.	300000-	7274 5600010		4 320 00	7 527 84-
17 9	2.0000 MATSUSHITA EL WORKS CV 3	100000+	21109 5600010	83 20		7 444 64-
1 10	2.0000 MATSUSHITA EL WORKS CV 3	100000-	21112 5600010		144 63	7 589 27-
8 12	3.6000 SHIMACHU CO., LTD.	300000-	16050 5600010		2 636 37	10 225 64-
15 12	7.1250 PROVINCE OF NEW BRUNSWIC	100000-	8332 5600010		3 259 00	13 484 64-
	CREDIT INTEREST					
	TRANSACT. & BALANCE	500000-		6 504 25	19 988 89	13 484 64-
771120	***** INTEREST EARNED ON BONDS		SAU			
7 3	14.2500 SCANDINAVIAN AIRLINE SYS	20000+	5418 5600020	7 97		7 97
22 12	14.2500 SCANDINAVIAN AIRLINE SYS	20000-	22028 5600020		2 264 17	2 256 20-
	CREDIT INTEREST					
	TRANSACT. & BALANCE			7 97	2 264 17	2 256 20-

CSF INVESTMENTS LTD
MOBILITY & FERMUDA

 4201 KOREL ASSETS
 LEDGER FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
771201	***** DIVIDENDS		US\$			
14	2 EMERY AIR FREIGHT CORP. DIVIDEND	2000-	5333 5600001		175.00	175.00
10	3 MOBIL CORP DIVIDEND	100-	5435 5600001		38.50	213.50
18	3 BATTLE MOUNTAIN GOLD CO. DIVIDEND	1500-	5435 5600001		26.25	239.75
25	3 CHESEBROUGH - PONDS INC. DIVIDEND	100-	5435 5600001		35.00	274.75
10	4 MOBIL CORP DIVIDEND	100-	6441 5600001		38.50	313.25
16	6 FOSTER WHEELER CORP. DIVIDEND	600-	6441 5600001		30.80	344.05
18	6 BATTLE MOUNTAIN GOLD CO. DIVIDEND	1500-	6441 5600001		26.25	370.30
10	9 MOBIL CORP DIVIDEND	100-	7435 5600001		38.50	408.80
15	9 FOSTER WHEELER CORP. DIVIDEND	400-	7435 5600001		30.80	439.60
18	9 BATTLE MOUNTAIN GOLD CO. DIVIDEND	1500-	7435 5600001		26.25	465.85
15	12 FOSTER WHEELER CORP DIVIDEND	400-	8487 5600001		30.80	496.65
TRANSACT. & BALANCE				8100-	0.00	496.65

771210	***** DIVIDENDS		YEN			
22	1 TEIKOKU TSUSHIN (6763) DIVIDEND	550-	5154 5600010		1 540.00	1 540.00
17	7 TEIKOKU TSUSHIN (6763) DIVIDEND	550-	7323 5600010		1 540.00	3 080.00
23	7 TOYODA MACHINE WORKS DIVIDEND	400-	7141 5600010		1 870.00	4 950.00

CSF INVESTMENTS LTD.
FINANCIER S. S. BANQUE

4201 KOREL ASSETS
 LEDGER FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
771210	DIVIDENDS		(SUITE)			
	TRANSACT. & BALANCE	1500-		0 00	4 950.00	4 950.00-
771212	***** DIVIDENDS					H--03125
	TRANSACT. & BALANCE		MFK	0 00	0 00	0 00

772100	***** INTEREST EARNED ON LOANS	FS
3	1 PN 8315 INT. DECEMBER 1985	5010 5600000
5	2 PN 8315 INT. JAN 86	1180 5600000
5	3 PN 8315 INT. FEB.	1355 5600000
7	4 PN 8315 INT. MARCH 86	6017 5600000
1	5 PN 8315 INT. APRIL 86	6132 5600000
9	6 PN 8315 INT. MAY 86	6297 5600000
14	7 PN 8315 INT. JUNE 86	7038 5600000
6	8 PN 8315 INT. JULY 86	7167 5600000
8	9 PN 8315 INT. AUGUST 86	7341 5600000
3	10 PN 8315 INT. SEPTEMBER 1986	8004 5600000
6	11 PN 8315 INT. OCTOBER 86	8149 5600000
4	12 PN 8315 INT. NOVEMBER 86	8290 5600000
	TRANSACT. & BALANCE	
	***** INTEREST EARNED ON FTD	US\$
	TRANSACT. & BALANCE	0 00
	***** INTEREST EARNED ON FTD	US\$

3	1 PN 8315 INT. DECEMBER 1985	5010 5600000	324.00	324.00	324.00-
5	2 PN 8315 INT. JAN 86	1180 5600000	324.00	324.00	648.00-
5	3 PN 8315 INT. FEB.	1355 5600000	292.64	292.64	940.64-
7	4 PN 8315 INT. MARCH 86	6017 5600000	324.00	324.00	1 264.64-
1	5 PN 8315 INT. APRIL 86	6132 5600000	313.54	313.54	1 578.18-
9	6 PN 8315 INT. MAY 86	6297 5600000	313.54	313.54	1 891.72-
14	7 PN 8315 INT. JUNE 86	7038 5600000	313.54	313.54	2 205.26-
6	8 PN 8315 INT. JULY 86	7167 5600000	324.00	324.00	2 529.26-
8	9 PN 8315 INT. AUGUST 86	7341 5600000	324.00	324.00	2 853.26-
3	10 PN 8315 INT. SEPTEMBER 1986	8004 5600000	313.54	313.54	3 166.80-
6	11 PN 8315 INT. OCTOBER 86	8149 5600000	324.00	324.00	3 490.80-
4	12 PN 8315 INT. NOVEMBER 86	8290 5600000	313.54	313.54	3 804.34-
	TRANSACT. & BALANCE		0 00	3 804.34	3 804.34-

772201	***** INTEREST EARNED ON FTD	US\$		
7	4 INTEREST	6015 5600001	1 205.56	1 205.56-
25	4 INTEREST	6434 5600001	44.29	1 249.85-
9	6 INTEREST	6317 5600001	2 233.00	3 482.85-
16	6 CALL INT.	6384 5600001	145.83	3 628.68-
24	6 CALL INT.	6414 5600001	50.00	3 678.68-
24	6 CALL INT.	6414 5600001	16.66	3 695.34-
9	7 INTEREST	7025 5600001	1 047.42	4 742.76-
9	7 CALL INTEREST JUNE	7078 5600001	69.45	4 812.21-

CSF INVESTMENTS LT
 HOLDINGS - FIRMUDA

 4201 KOREL ASSETS
 LEDGER FROM 01 01 86 TO 31 12 86

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
772201	INTEREST EARNED ON FTD		(SUITE)			
31 7	CALL INTEREST	7206	5600001		351.77	5 163.98
11 8	INTEREST	7187	5600001		1 128.08	6 292.06
2 9	INTEREST	7337	5600001		271.23	6 563.29
3 9	INTEREST	7369	5600001		80.99	6 644.28
8 9	CALL INT.	7371	5600001		366.58	6 990.86
11 9	ACCRUED INTEREST	7315	5600001		988.13	7 978.99
7 10	CALL INTEREST	8029	5600001		300.61	8 279.60
3 11	CALL INTEREST	8193	5600001		490.48	8 770.08
	TRANSACT. & BALANCE			0.00	8 770.08	8 770.08
772301	***** INCOME ON INVESTMENTS					US\$
30 4	COSFIN B.V.					
	INT APRIL AT 10%	250-	2227 74JCOS4		250.00	250.00
31 5	COSFIN B.V.					
	INTEREST MAY AT 9.50%	239-	2311 74JCOS4		239.48	489.48
30 6	COSFIN B.V.					
	INTEREST JUNE	241-	2476 74JCOS4		241.36	730.84
31 7	COSFIN B.V.					
	INTEREST JULY	243-	3231 74JCOS4		243.29	974.13
31 8	COSFIN B.V.					
	INTEREST AUGUST	226-	3296 74JCOS4		225.85	1 199.98
30 9	COSFIN B.V.					
	INTEREST SEPT 8.5%	221-	3480 74JCOS4		221.00	1 420.98
31 10	COSFIN B.V.					
	INTEREST OCTOBER 8.5%	222-	4146 74JCOS4		222.57	1 643.55
7 11	COSFIN B.V.					
	INTEREST COS5 5/9-31/10/86	4203	5600001		3 114.51	4 758.06
30 11	COSFIN B.V.					
	INTEREST	224-	4325 74JCOS4		224.14	4 982.20
11 12	COSFIN B.V.					
	INTEREST	82-	4436 74JCOS4		81.63	
11 12	COS5 INT FROM 1/11/86		4436 5600001		2 280.27	7 344.10
	TRANSACT. & BALANCE			0.00	7 344.10	7 344.10

CSF INVESTMENTS LTD
HAMILTON - BERMUDEA

4201 KOREL ASSETS FROM 01 01 86 TO 31 12 86
LEDGER

A/C NAME & DESCRIPTION DOC. NO CONTRA DEBIT CREDIT BALANCE

H 03127

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
4201001	***** KOREL ASSETS					
			CASH	US\$		
8	7 ON CALL	260000+	7209 #5606001	260,000.00	522,820.00	260,000.00
24	7 NEW FUNDS		7124 5606001			262,820.00
26	7 PURCHASE	500+	3108 5900001	29,750.00		
26	7 PURCHASE	50000+	3108 5900001	56,500.00		
26	7 ACCRUED INT	50000+	3108 5900001	7,520.55		
26	7 PURCHASE	50000+	3108 5900001	53,500.00		
26	7 ACCRUED INT	50000+	3108 5900001	6,760.27		
26	7 SFR/US\$ AT 2.3470		7120 8900001	234,700.00+		8,789.18-
7	8 REDEMPTION SERVID		7155 5900001	8,042.24		
9	8 INT. CALL JULY		7209 #5606001		1,191.67	1,938.61-
15	8 ON CALL	80000-	7334 #5606001	80,000.00	80,000.00	81,938.61-
28	8 OFF CALL	80000+	7334 #5606001			1,938.61-
5	9 OFF CALL	120000-	7334 #5606001	120,000.00	120,000.00	121,938.61-
6	9 PURCHASE	40000-	7404 #5606001	40,000.00	40,000.00	161,938.61-
6	9 ACCRUED INT	100000+	7356 #5627001	107,000.00		
6	9 OFF CALL	100000-	7356 #5627001	5,347.22		
7	9 INT. CALL		7342 #5606001		100,000.00	149,591.39-
10	9 DIVIDEND	100-	8039 #5614001		1,406.30	150,997.69-
16	9 ON CALL	100000+	7404 #5606001	100,000.00	38.50	151,036.19-
27	9 ON CALL	40000+	7404 #5606001	40,000.00		51,036.19-
1	10 CHQ TO RICHARD V. SECOND		8023 #	52,600.00		11,036.19-
1	10 CREDIT INTEREST		50000-		7,500.00	

H 03129

C. S. F. INV. LTD

A/C	NAME & DESCRIPTION	DOC. NO	CONTRA	DEBIT	CREDIT	BALANCE
4201001	KOREL ASSETS		(SUITE)			
1 10	DIVIDEND	500-	8039 5614001		262.50	
1 10	REDUCTION PURCH. PRICE	8039	85614001		300.00	33 501.31
2 10	9.7500 BOWATER CORPORATION PURCHASE	7000+	8008 27JBOWA	6 982.50		
2 10	9.7500 BOWATER CORPORATION ACCRUED INT	7000+	8008 27JBOWA	149.59		
2 10	15.7500 CONTINENTAL ILL. O' SEAS PURCHASE	30000+	8008 27JCON	31 050.00		
2 10	15.7500 CONTINENTAL ILL. O' SEAS ACCRUED INT	30000+	8008 27JCON	2 757.33		
2 10	9.7500 BOWATER CORPORATION PURCHASE	8000+	8010 27JBOWA	8 000.00		
2 10	9.7500 BOWATER CORPORATION ACCRUED INT	8000+	8010 27JBOWA	168.82		
2 10	15.7500 CONTINENTAL ILL. O' SEAS PURCHASE	3000+	8010 27JCON	3 090.00		
2 10	15.7500 CONTINENTAL ILL. O' SEAS ACCRUED INT	3000+	8010 27JCON	279.62		
2 10	PURCHASE	25000+	8010 27JKELLO	25 937.50		
2 10	ACCRUED INT	25000+	8010 27JKELLO	2 003.42		
2 10	UNIT DRILLING & EXPL. CO PURCHASE	800+	8010 13UDE	2 500.00		
2 10	XIDEX CORP PURCHASE	1000+	8010 13XID	13 000.00		
2 10	ALA MOANA HAWAII PURCHASE	3000+	8010 14ALA	5 400.00		
2 10	MOBIL CORP PURCHASE	100+	8010 14MOB	2 975.00		
2 10	16.2500 NEW BRUNSWICK ELECTRIC PURCHASE	10000+	8010 27JNEWB	11 425.00		
2 10	16.2500 NEW BRUNSWICK ELECTRIC ACCRUED INT	10000+	8010 27JNEWB	956.94		150 177.03
5 10	MGT FEES 3RD QUARTER 1985	8001	8720001	1 046.36		151 223.39
10 10	OFF CALL	100000-	8148 85606001	100 000.00		51 223.39

H 03130

C.S.F. INVESTMENTS LTD.
HAMILTON, BERMUDA

2000 C S F. INV. LTD
LEDGER

FROM 01 01 85 TO 31 12 85

86 03 13 PAGE 365

A/C.	NAME & DESCRIPTION	DOC NO	CONTRA	DEBIT	CREDIT	BALANCE
4201001	KOREL ASSETS		(SUITE)			
15 10	INT CALL SEPT	CASH	8075	85606001	433.00	
15 10	ON CALL	100000+	8148	85606001		150 790.39
17 10	REDEMPTION	140000-	8071	999901	140 000.00	10 790.39
22 10	SFR/US\$ AT 2.18		8093	890001	23 980.00-	209.61
8 11	PURCHASE	100+14007	85614001		11,000-0031	3 844.89
15 11	INTEREST		8219	85606001	4 054.50	3 471.45
22 11	CALL CHESEBROUGH 100 SH \$35					
	PURCHASE	1+22009	22CBMG6			
27 11	PURCHASE	35000+27022	85627001	859.20		4 330.65
2 11	ACCRUED INT	35000+27022	85627001	34 650.00		
1 12	CREDIT INTEREST	100000-	8271	85627001	9.60	
2 12	15.7500 CONTINENTAL ILL. O' SEAS				7 000.00	38 990.25
1 12	SALE	33000-	27019	27JC0N		31 990.25
2 12	15 7500 CONTINENTAL ILL. O' SEAS				33 742.00	
1 12	CREDIT INTEREST	33000-	27019	27JC0N		
10 12	DIVIDEND	100-	8423	85614001	3 912.56	5 664.31
16 12	SALE	500-	14004	85614001	38.50	5 702.81
16 12	PURCHASE	2000+	14004	85614001	32 082.66	
16 12	DIVIDEND	500-	8423	85614001	33 930.83	
16 12	DIVIDEND	100-	8423	85614001	262.50	
17 12	PROFIT DISTRIBUTION PHASE IV	100-	8423	85614001	35.00	4 152.14
19 12	9.8750 COCA COLA COMPANY		8333	999901	100 800.00	104 952.14
19 12	SALE	35000-	27027	27JC0CA		
19 12	9.8750 COCA COLA COMPANY				35 262.50	
20 12	CREDIT INTEREST	35000-	27027	27JC0CA		
20 12	9.8750 PROCTER & GAMBLE COMPANY				220.82	140 435.46
20 12	PURCHASE	35000+	27026	27JPROC	35 000.00	
20 12	9.8750 PROCTER & GAMBLE COMPANY				4.80	105 387.46
24 12	11.5000 AUSTRALIAN IND DEVRT C					
24 12	PURCHASE ACC INT	90000+	27028	27JAIDC	95 512.50	
24 12	11.5000 AUSTRALIAN IND DEVRT C					
24 12	11.5000 AUSTRALIAN IND DEVRT C				8 510.00	1 364.96
24 12	ACCRUED INT					

210 720.00+ 1 337 316.99 1 338 681.95

605701+

TRANSACTION & BALANCE

C S F INVESTMENTS LTD

2000 C. S. F. INV. LTD FROM 01 01 85 TO 31 12 85 86-03-13 PAGE 366

A/C. NAME & DESCRIPTION	DOC. NO.	CONTRA	DEBIT	CREDIT	BALANCE
201010 ***** KOREL ASSETS		CASH	YEN		
2 10 7.1250 PROVINCE OF NEW BRUNSWIC	100000+	8010	161NEW		
PURCHASE				103 000.00	H 03132
2 10 7.1250 PROVINCE OF NEW BRUNSWIC	100000+	8010	161NEW		
ACCRUED INT				1 835.00	
2 10 NITTO ROSEKI CO. (3110)	1050+	8010	15NI-80		
PURCHASE				380 100.00	
2 10 TEIKOKU TSUSHIN (6763)	550+	8010	15TEIKO		
PURCHASE				290 400.00	
2 10 CHANGE YEN/SFR	8010	820110	7 800.00-	775 335.00	0.00
6 12 SALE	1050-15020	85615010		371 227.00	371 227.00-
TRANSACT. & BALANCE	200550+		7 800.00-	775 335.00	1 146 582.00
201500 ***** KOREL ASSETS		LOANS	FS		
26 7 PN 8508	3108	5900500		40 000.00	
26 7 PN 8315	3108	999900		60 200.00	100 200.00-
21 8 PN 8508 PART RBT	3306	85900500		16 000.00	84 200.00-
2 10 PN 8508 RBT	4031	85900500		24 000.00	60 200.00-
TRANSACT. & BALANCE				40 000.00	100 200.00
					60 200.00-

Chapt
Feature 22-11

UNCLASSIFIED

7.250

12/28
Declassified on 12/28/85
under provisions of E.O. 12958
J. Edgar Hoover, National Security Council

H 1779

MEMORANDUM

TO : Roland Farina ✓
Isabelle Allais ✓

FROM : Willard I. Zucker

RE : Energy Resources

DATE : 10 July 1985

On 29 June 1985, I withdrew from the account of Compagnie de Services Fiduciaires at Republic National Bank of New York US\$20,000 = \$15,000 in a check and \$5,000 in cash. *for 4210..*

For SERFID, this is simply an exchange and it should be reimbursed the \$20,000 plus 1.5%, or \$300, to cover loss of interest and handling costs.

Roland, you should make a transfer from the account of ENERGY of \$20,300 to SERFID at whichever bank Isabelle needs the money, and in your ENERGY accounting you should take this amount from the profit share of Albert Hakim.

WIZ/ac

4744

UNCLASSIFIED

22-11

See Hearing Exhibit AH-32

22-13

CLASSIFIED AT TIME OF PUBLICATION.

22-14

CLASSIFIED AT TIME OF PUBLICATION.

UNCLASSIFIED

ARTHUR ANDERSEN SA
GENEVE

Chap
Eot 22-22

AUTHORIZED FOR FILING *187*
ACCOUNT NO. 606451 064
CSF Investments Ltd

To the Shareholders of
CSF Investments, Ltd.:

We have examined the balance sheet of CSF INVESTMENTS, LTD. (a Bermuda Company) as of December 31, 1984 and the related statements of income and retained earnings and changes in financial position for the year then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such ^Ptests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. *2275*

As discussed in note 3, U.S.\$8,417,565 are due from the Parent. We have not audited the financial statements of the Parent as of December 31, 1984 and consequently cannot form an opinion as to the ultimate realization of this amount.

In our opinion, subject to the realization of the amounts due from the Parent the financial statements referred to above present fairly the financial position of CSF Investments, Ltd. as of December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

ARTHUR ANDERSEN SA

Arthur Andersen

~~Not~~ Declassified/Released on *1/22/88*
under provisions of E.O. *12958*
2, Page 1, Release 1000000000

Geneva, Switzerland,
July 30, 1985.

UNCLASSIFIED

474F

UNCLASSIFIED

CSF INVESTMENTS, LTD.STATEMENT OF CHANGES IN FINANCIAL POSITIONFOR THE YEAR ENDED DECEMBER 31, 1984

(Currency - U.S. Dollar)

CASH PROVIDED BY:

CR F 2216

Operations-	
Net income	154,403
Due from parent, at sight	507,338
Accounts receivable	43,864
Due to customers, at sight	194,858
Loans due to customers	3,403,087
	<u>4,303,550</u>

CASH APPLIED TO:

Advances and loans due from parent	49,856
Due from customers, at sight	863,953
Time deposits	564,268
Marketable securities	363,874
Precious metals	12,150
Advances and loans due from a related company	1,205,479
Advances and loans due from third parties	880,133
Due to parent, at sight	82,195
Accrued expenses	3,960
Reserve on forward contracts	40,943
Dividend paid	12,000
	<u>4,078,811</u>
	<u>224,739</u>

INCREASE (DECREASE) IN CASH:

Cash with banks and with brokers	(292,483)
Due to banks and brokers	517,222
	<u>224,739</u>

UNCLASSIFIED

The accompanying notes are an integral part of this statement.

UNCLASSIFIED

CSF INVESTMENTS, LTD.
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1984
(Currency - U.S. Dollar)

CR F 2217

INCOME:

Commission and management fees	230,794
Interest earned	849,781
	1,080,575

EXPENSES:

Interest expense	755,686
Net realized loss on investments	15,614
Administration expenses	73,085
Other fees and charges	16,387
Exchange loss	65,400
	926,172

Net income	154,403
------------	---------

RETAINED EARNINGS, beginning of year	298,297
Less- Dividend paid	(12,000)
	440,700

UNCLASSIFIED

The accompanying notes are an integral part of this statement.

CSF INVESTMENTS, LTD.BALANCE SHEET - DECEMBER 31, 1984

(Currency - U.S. Dollar)

UNCLASSIFIED

A S S E T S

CASH WITH BANKS AND BROKERS		666,646
DUE FROM CUSTOMERS, AT SIGHT		1,070,025
TIME DEPOSITS		751,614
MARKETABLE SECURITIES (Note 2)	CR F	571,113
PRECIOUS METAL (Note 2)		68,850
ACCOUNTS RECEIVABLE		31,667
ADVANCES AND LOANS (Note 3):		
Due from parent	8,417,565	
Due from a related company	2,794,479	
Due from third parties	<u>2,131,650</u>	13,343,694
MARKETABLE INVESTMENTS HELD FOR CUSTOMERS' ACCOUNTS (Note 4)		20,727,208
		<u>37,230,817</u>

2218

LIABILITIES AND SHAREHOLDERS' INVESTMENT

DUE TO BANKS AND BROKERS		538
DUE TO CUSTOMERS, AT SIGHT		1,316,264
DUE TO PARENT, AT SIGHT		1,036,117
ACCRUED EXPENSES		73,869
CUSTOMERS' FUNDS UNDER MANAGEMENT (Note 5)		
- Loans due to customers	13,536,121	
- Marketable securities, precious metals and time deposits	<u>20,727,208</u>	34,263,329
		<u>36,690,117</u>

SHAREHOLDERS' INVESTMENT:		
Share capital authorized and outstanding		100,000
Retained earnings		440,700
		<u>540,700</u>

		37,230,817

UNCLASSIFIED

The accompanying notes are an integral part of this balance sheet.

See Final Report Exhibit Chapter 22, Footnote 10

CLASSIFIED AT TIME OF PUBLICATION.

CLASSIFIED AT TIME OF PUBLICATION.

22-30

See Hearing Exhibits EA-22, OLN-203, and OLN-307

Chapter
Footno 22-31

UNCLASSIFIED

Send (RM) to: Line 1

REC 21 1964 0937
12 34 45 PLTBANK

OK TO
ENTER
FILE

2445

← 10645 1064

0965 800N IN
GENERAL, DECEMBER 21 1964
ATTN: MRS N 4-23
TELETYPE INVESTMENT CO

PLEASE TRANSFER THE BALANCE OF US DRS 14 749.51
TO CALIFORNIA 1ST BANK
12221 SOUTH HAWAII RD
NORWALK

FF

WASCO CALIFORNIA
IN FAVOUR OF
LAWES AND THEFT PARTNERS AND LAW CORPORATION
TRUST ACCOUNT

ACC NO 13111 894
SERIAL NO 300
THANK YOU FOR YOUR
SERVICE 22 12 64

[Handwritten mark]

15-11

RECORDED
AND INDEXED

PLEASE REPLY WITHIN TWO WEEKS

REPLY VIA LIT

Transmitted 17 31 34 PST
Night Time 1 1.4 seconds

Declassified (Released) on 12/21/87
under provisions of E.O. 12958
J. B. Reger, National Security Council

4746

UNCLASSIFIED

CLASSIFIED AT TIME OF PUBLICATION.

CLASSIFIED AT TIME OF PUBLICATION.

Chapter 22, Footnote
SC 0402 53, 56**UNCLASSIFIED**

LAW OFFICES

SHARP, GREEN & LANKFORD
800 MASSACHUSETTS AVENUE N.W.
WASHINGTON, D.C. 20036

22-53+56

JAMES E. SHARP
THOMAS C. GREEN
V. THOMAS LANKFORD, JR.
STEVEN M. JOHNSON
BARBARA STRAUSS JOHN HARRIS
MARK W. HATZEL
ROBERT L. VOGLER

August 18, 1987

TELEPHONE
202 659-2400
TELETYPE 202 286-349
TELEX 637 4605 55.00MEMBER OF PA BAR ONLY
MEMBER OF NY & NJ BAR ONLYArthur Liman, Esq.
Counsel to U.S. Senate Select
Committee on Secret
Military Assistance to Iran
and the Nicaraguan Oppos.
901 Hart Senate Office Bldg.
Washington, DC 20510John W. Nields, Jr., Esq.
Counsel to U.S. House Select
Committee to Investigate
Covert Arms Transactions
with Iran
Room H419, United States Capitol
Washington, DC 20510

Gentlemen:

On behalf of Richard V. Secord, I am writing to correct certain aspects of his testimony given under oath at the last deposition session, at which both of you were in attendance. I am sorry that I can no longer supply the precise date of that session.

Mr. Secord was asked to acknowledge that he had been advised concerning a potential conflict of interest on the part of the undersigned arising out of the undersigned's refusal to answer inquiries from the Office of Independent Counsel about a specific incident which arose during the time the undersigned represented both Lieutenant Colonel Oliver North and Mr. Secord.

Mr. Secord replied that he had been independently advised concerning this matter, and he confirmed his insistence that the undersigned remain as his counsel. At the time of his answer, Mr. Secord had had conversations with other attorneys in my office concerning this matter, but, as I explained to Mr. Secord following the deposition session, those consultations could not be deemed to be with separate and unrelated counsel.

Since that time Mr. Secord did retain and did consult with separate and unrelated counsel to explore all the ramifications surrounding the potential conflict of interest issues. Since receiving this independent advice, his decision remains the same. However, I thought it prudent to write you and to clarify what I think may be some confusion in the

Partially Declassified/Released on 1/22/88
under provisions of E.O. 12359
B. Reger, National Security Council

UNCLASSIFIED

(4747)

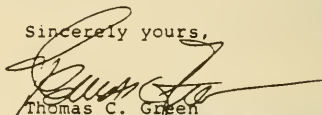
SHARP GREEN & LANKFORD

SC 04062

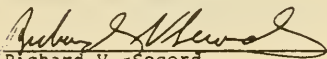
August 18, 1987
Page 2**UNCLASSIFIED**

record. Accordingly, I ask that you consider this letter as supplementation to, or correction of, Mr. Secord's previous testimony.

Sincerely yours,

Thomas C. Green
Attorney for Richard V. Secord

Seen and Agreed to:



Richard V. Secord

18 Aug 1987
Date**UNCLASSIFIED**

UNCLASSIFIED

LAW OFFICES
SHARP, GREEN & LANKFORD
 1800 MASSACHUSETTS AVENUE, N.W.
 WASHINGTON, D. C. 20036

SC 04035

JAMES E. SHARP
 THOMAS C. GREEN
 V. THOMAS LANKFORD, JR.
 STEVEN M. JOHNSON
 BARBARA STRAUGHN HARRIS
 MARK M. KATZ
 ROBERT L. VOGEL

August 20, 1987

TELEPHONE
 202/659-2400
 TELECOPIER 202/296-1249
 TELEX 697 4605 5GLDC

* MEMBER OF PA BAR ONLY
 * MEMBER OF NY & NJ BAR ONLY

HAND DELIVERED

<p>The Honorable Lee H. Hamilton Permanent Select Committee on International Affairs U.S. House of Representatives United States Capitol Room H405 Washington, DC 20515</p>	<p>The Honorable Daniel K. Inouye Chairman, U.S. Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition 901 Hart Senate Office Building Washington, DC 20515</p>
---	---

Gentlemen:

On behalf of Richard V. Secord, I am writing to correct and comment on certain testimony taken before the Select Committees and to respond to certain statements made by various members of the Committees which misrepresent the facts and portray my client and his conduct in a false and underserved light. In view of the effort undertaken by various members of the Committees to discredit General Secord and the attempts to impeach portions of his testimony, we feel it fair and appropriate that this letter and the accompanying exhibits be made a part of the official record of investigation; and we formally request such relief.

General Secord was the first witness called to give public testimony. His appearance before the Committees followed countless hours of debriefing during which he patiently and with great accuracy recited the facts and

Partially Declassified/Released on 4/27/88
 under provisions of E.O. 12325
 J. B. Regan, National Security Council

UNCLASSIFIED

4748

SHARP, GREEN & LANKFORD

UNCLASSIFIED

SC 04061

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987
Page 2

circumstances surrounding the operational details of the Contra supply operation and the Iranian initiative. It is only fair for the Committees to acknowledge that the information provided by General Secord was of critical importance and of invaluable assistance to the progress of the investigation. It should also be noted that General Secord ultimately succumbed to the entreaties of both Chief Counsel who largely induced his voluntary testimony by appeals to General Secord's sense of duty, service and responsibility to his country and the Congress.

General Secord was prepared for tough questions and tough criticism. But in light of the way his testimony was procured, we were not prepared for unfair criticism or for the technique employed by some interrogators of using false information to prompt derogatory comments about General Secord from other witnesses. When, from time to time, we contacted the staff to tender correct information and corroborating data we were usually thanked, but never vindicated. All the misinformation has been permitted to linger, and the record requires and deserves correction.

Several Senators were effusive in their use of the term "profiteer" when making reference to General Secord. We start from the rather basic proposition that every man is entitled to make a living. General Secord devoted two years to the Iran/Contra projects at the expense of virtually all other

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987,
Page 3

UNCLASSIFIED

SC 0400

business pursuits. During that time he received a salary of \$6000 per month. The amount is hardly excessive.

Albert Hakim acknowledged in his testimony on June 3, 1987, that he accumulated profits from arms sales for the benefit of General Secord in an account known as Korel Assets even though General Secord forswore any such remuneration. None of the accumulated profits were ever distributed to General Secord, a fact confirmed by House Counsel, Mr. Nields, when he stated publicly on June 3rd that:

I think the record should reflect that unlike some of these other accounts, we have been able to determine no withdrawals from the Korel Assets account as of this date.

A great deal of time and attention was devoted by members of the Committees in examining the profit earned on arms transactions. The frenzy to portray these sales as generating exorbitant profit came close to overshadowing what should have been the more important issues. General Secord testified that the gross profit on arms sales ranged from between 20 percent to 30 percent. That markup was and is extremely reasonable, and the merchandise delivered was unquestionably of high quality. When General Singlaub appeared some members again attempted to use his testimony to criticize General Secord's efforts through a supposed comparison of the prices charged by each. The comparison was nonsense and the equivalent of an apple and orange exercise. We demonstrated

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987,
Page 4

UNCLASSIFIED

all of this in a letter I wrote to the Committees on May 26, 1987. A copy of my letter is attached hereto for your convenience. Additionally, we supplied the staff with an "Arms Sales Profit Analysis" memo which was nothing more than an exercise in basic arithmetic confirming the profit margins testified to. A copy of this document is also attached. It is our belief that the staff has now been able to confirm the basic accuracy of our figures. Finally, I note the testimony of General Secord's customer, Mr. Calero, who acknowledged in his testimony on May 20, 1987, that General Secord's prices for ammunition and FAL type rifles were extremely reasonable and about 50 percent less than what this government was charging the witness for the same items.

Although General Secord never withdrew money from his so-called profit account and although he attempted no movement or secreting of funds during the days when these operations were on the brink of public disclosure, the notion was born and nurtured by several members of the Committees that the residual funds were accumulated and preserved principally because of devious profit motives, all of which worked to the unfortunate detriment of the Contras. This is a pernicious and particularly offensive allegation.

Funds were on hand when these transactions terminated simply because the ongoing operations were aborted. General Secord was saddled with the responsibility to preserve and

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987,
Page 5

UNCLASSIFIED

SC 04007

allocate funds in response to a number of real and anticipated needs. This required a continuing assessment of priorities and the need to reserve against contingencies known and unknown. General Secord delivered to the Committees long ago most of his original, contemporaneous worksheets which reflect his decisional process. None of this material was contrived, and no one has been silly enough to suggest otherwise. Even a cursory review of this material will demonstrate that General Secord intended that the residual funds were to be devoted to operations.

Rather than burden this letter with a detailed summary of General Secord's testimony, I have included an extrapolation from the documents he provided, which is essentially a series of "snapshots" which capture the process of allocation over time in 1986.

FUNDS AVAILABLE AND ANTICIPATED DISBURSEMENTS

- A. Early February, 1986 -- \$87,000 available. Several million dollars required to carry through with the Central American airlift project.

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
 Daniel K. Inouye
 August 20, 1987,
 Page 6

UNCLASSIFIED

SC 04068

- B. Early March, 1986 -- \$6 million available. \$2-4 million required for aircraft hull self-insurance per Israeli demand.*
- C. Estimated disbursements for March and April, 1986, included the following:

Israeli Air Force	\$ 150,000
Costa Rica Air Strip	
Project (Contra)	150,000
Defex (Contra)	2,360,000
Aircraft Procurement (Contra)	1,000,000
Salaries (Contra)	50,000
Contra Medical Expenses	50,000
Initial Blowpipe	
Procurement (Contra)	200,000
Fenced Insurance	
Fund. (Contra)	<u>200,000</u>
	\$4,160,000**

* We are confident that the Israelis will confirm this requirement.

** Does not include what by this time is a \$4 million hull insurance fund.

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
 Daniel K. Inouye
 August 20, 1987,
 Page 7

UNCLASSIFIED

SC 04007

D. April 1, 1986 -- \$5 million available. Estimated
 disbursements for April, May and June, 1986,
 included:

Aircraft Operations and	
Maintenance (Contra)	\$ 650,000
Israeli Air Force	150,000
Communications Procurement	
(Contra)	100,000
Initial Blowpipe Procurement	
(Contra)	350,000
Medical Supplies and Local	
Operations at [REDACTED]	
(Contra)	45,000
Southern Air Transport	
(Contra)	120,000
Salaries (Contra)	72,000
Defex (Contra) ..	2,200,000
Israeli TOW's	<u>822,000</u>
	\$4,509,000*

* Does not include what by this time is a \$4 million hull insurance fund.

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
 Daniel K. Inouye
 August 20, 1987
 Page 8

UNCLASSIFIED

E. End April -- \$4 million available. \$4 million needed for hull insurance reserve. Estimated disbursements through June included:

Defex (Contra)	\$ 280,000
Aircraft Operations and Maintenance (Contra)	650,000
Three British Air Crewmen (Contra)	110,000
Blowpipe Procurement (Contra)	1,000,000
Salaries (Contra)	72,000
Israeli TOW's	822,000
Costa Rica Air Field (Contra)	60,000
SAT (Contra)	55,000
Insurance Fund Fenced (Contra)	200,000
C123 Spare Parts (Contra)	200,000
Israeli Air Force	<u>185,000</u>
	\$3,634,000*

* Does not include what by this time is a \$4 million hull insurance fund.

UNCLASSIFIED

UNCLASSIFIED

SC 0407

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
 Daniel K. Inouye
 August 20, 1987
 Page 9

F. Early June, 1986 -- Hull insurance requirement still in effect. \$13 million available. Estimated disbursements through July, 1986, included:

Refund demanded by

Ghorbanifar \$15,000,000

Airlift Operations and

Maintenance through

July (Contra) 500,000

Salaries through July (Contra) 90,000

Israeli Air Force 240,000

Costa Rica Airfield Completion 100,000

Shipload of Munitions (Contra -

for delivery in August 3,300,000

Insurance Fund Fenced (Contra) 200,000

Aircraft Procurement

(Contra) 500,000

\$19,930,000*

G. July 1, 1986 -- \$12 million available. \$2 million still needed for hull insurance. Ghorbanifar claims

* Does not include what by this time is a \$4 million hull insurance fund.

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
 Daniel K. Inouye
 August 20, 1987,
 Page 10

UNCLASSIFIED

SC 0407

\$10 million owed to him. Estimated disbursements
 through August, 1986, included:

Refund demanded by	
Ghorbanifar	\$10,000,000
Airlift Operation and	
Maintenance, July and	
August (Contra)	500,000
Salaries, July and August	
(Contra)	90,000
Insurance Fund Fenced (Contra)	200,000
Secure Communications	
Equipment (Iran)	120,000
Ship, Erria, Operations	
(Contra)	150,000
Shipload Munitions (Contra)	<u>2,200,000</u>
	\$13,260,000*

H. Early August, 1986 -- \$9 million available.
 Ghorbanifar still claims \$10 million owed to him and
 threatens to expose the operation unless paid.

* Does not include what by this time is a \$2 million
 hull insurance fund.

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
 Daniel K. Inouye
 August 20, 1987
 Page 11

UNCLASSIFIED

SC 040,1

Estimated disbursements through September, 1986,
 included:

Refund to Ghorbanifar	\$10,000,000
Airlift Operations and Maintenance, August and September (Contra)	400,000
Salaries, August and September (Contra)	90,000
Shipping, Erria, Expenses (Contra)	90,000
Insurance Fund Fenced (Contra)	<u>200,000</u>
	\$10,780,000*

Although at the time these operations were disclosed in November, 1986, approximately \$8 million was available, Ghorbanifar still continued to press his claim. During this period General Second contemplated the purchase of a 707 aircraft and spare parts in connection with implementing the

* Does not include what by this time is a \$4 million hull insurance fund.

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987
Page 12

UNCLASSIFIED

SC 040J1

second channel (\$2-2.5 million), and roughly a million dollars were owed or obligated on account of the following:

Danish ship agent (\$300,000+); Southern Air Transport (\$100,000); death benefits (\$200,000); Swiss Air charter (\$50,000); [REDACTED] bills (\$100,000); Costa Rica real estate bill (\$100,000+) and \$100,000 miscellaneous (including continued funding for the ship Erria).

Planning for the establishment and funding of a permanent European joint venture company to support U.S./Iranian commercial transactions over a several-year period (until such time as the two governments could deal directly with one another) was terminated when these operations were exposed. Israel had concurred in this venture, and it was contemplated that Iran would donate \$20-40 million to the new venture to make it viable. This would include sufficient funds to "forward finance" procurements from the U.S. and from Europe after agreement by U.S. and Iranian government officials as envisioned in the nine-point plan.

The allocation exercise periodically undertaken by General Secord was admittedly based on estimates, but it is against this background of competing claims and demands that he made his decisions to fund the Contras at whatever level circumstances would permit. Ghorbanifar's claims were serious,

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987,
Page 13

UNCLASSIFIED

and they presented a credible threat to the continuation of operations (although not in General Secord's view in any meaningful legal sense). Contrary to the picture painted at times at the hearings that abundant excess money was available to fund the Contras, funds were expended to support their operations almost always with consequent risk to the continuation of the Iranian operation and to General Secord personally. Had the Contra airlift project not been deemed so vital by General Secord, it might have been suspended or stopped any number of times as a result of other funding requirements.

In the final analysis over \$4 million from the Iranian operation was expended for the benefit of the Contras as a result of General Secord's juggling of his priorities. In view of the fact that General Secord devoted two years of around-the-clock effort to making these projects work, we think it hardly fair to engage in an after-the-fact review of his priority decisions. He was after all, despite contentions to the contrary, acting in furtherance of the policies of this government and with its blessing.

There are a couple of other "money" issues which have been exaggerated to grotesque proportions. In October, 1985, well before the Iran initiative began, General Secord purchased a 1973 Seneca airplane for the approximate sum of \$35,000. The money used to buy the aircraft came from a consulting fee and

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987
Page 14

UNCLASSIFIED

was reported as income on General Secord's 1985 tax return. In 1986 General Secord purchased a Porsche automobile for \$31,000. (Porsche never got so much free publicity). General Secord insists that the money to buy the car was borrowed from Albert Hakim, consistent with a pattern of loans made to him in accordance with a 1983 business agreement, which includes yet another loan of \$32,000 for legal fees made by Hakim in February of this year.

We, of course, are not familiar with the personal purchases of members of Congress. It would be interesting (perhaps) to know all about them. But what is so unwholesome or sinister (or of national importance) about buying a Porsche and a 15 year old airplane, and if you insist on linking these acquisitions to the Iran/Contra projects: "where's the beef?" If you add up every dime that found its way to General Secord's pockets which is in any way arguably related to the Iran/Contra projects (even without regard to what it represents), you never get above \$225,000.00. That is hardly an extraordinary sum for two years of work, and it is clearly unworthy of the exploitation attempted by some members of the Committees.

Certain members of the Committees chose (we think deliberately) to ignore confirmed facts in an effort to embarrass General Secord and serve their personal, political agenda. For example, General Secord was accused of using donated funds to purchase Maule aircraft for himself, a

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987.
Page 15

UNCLASSIFIED

supposed fact which astonished several of the donors during their public testimony and which was presumably designed to elicit similar emotions from the listening audience. The truth is simply that all Maule aircraft were transferred to the Contras; the Committees know that and knew it at the time this charade was played out in public.

Toying with the facts is unbecoming during a congressional investigation, yet it occurred frequently. In interrogating another witness, a Senator asserted that General Secord and Albert Hakim were the owners of East Inc., a company which contracted to provide operations and maintenance services in Central America. The claim is false. Even worse was the Senator's use and manipulation of documents to make it appear that General Secord was charging excessive profits on aircrew salaries. The facts are that the documents used by the Senator did not relate to aircrew salaries and, even more significantly, the documents were not records of any company owned or controlled by General Secord. The language used by the Senator to make his point was downright ugly, and the whole episode was outrageous.

Other members attempted to dance on General Secord's back by asserting that he had no security clearance. Again, the truth is that General Secord held the highest level DOD security clearance until January of 1987. When Felix Rodriguez was called to testify, he was fed a series of leading questions

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987
Page 16

SC 0400
UNCLASSIFIED

(in reality the answers) in an attempt to taint General Secord with the sins of convicted felon Edwin Wilson. Although Rodriguez denied any association with Wilson, it is he, not General Secord, who worked with and for Wilson over an extended period of time. Moreover, when Rodriguez was prompted to criticize the military supplies furnished by General Secord to the Contras, someone was kind enough to expose the fact that Rodriguez's hearsay was based on information from Mario Del Amico, a competitor in the arms supply business.

The attempt by certain members to seize opportunities to link General Secord to Edwin Wilson evolved rather quickly into blatant character assassination. General Secord did know Edwin Wilson long before the time Wilson's legal problems arose. Allegations first raised in 1982 that General Secord (and others) might have been involved in business transactions with Wilson were exhaustively investigated by the Department of Justice for over two years. The investigation of General Secord was ultimately terminated and formally closed for lack of any evidence -- a fact never mentioned by any member during the hearings.

General Secord and his colleagues were also criticized for departing from or misrepresenting United States foreign policy. This claim is absolutely baseless. His dialogue with the Iranians tracked established policy and was based on approved proposals. As the tapes would demonstrate,

UNCLASSIFIED

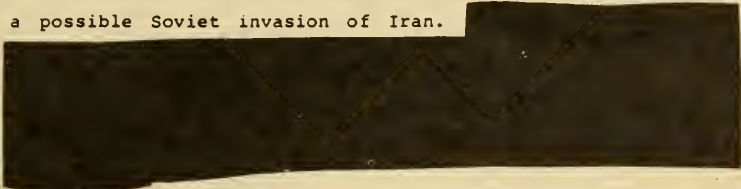
SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987
Page 17

UNCLASSIFIED

SC 04027

General Secord never committed the United States to fighting the Russians in defense of Iran. General Secord knew about, and was qualified to explain, United States policy in regard to a possible Soviet invasion of Iran.



Although other portions of the record are deserving of comment, it is impossible to examine each and every distortion or inaccuracy in a letter such as this. What is important to emphasize is that General Secord was made to pay a very high price for voluntarily coming forward, without immunity, to assist the Congress in its investigation, and, for sure, he is not inclined to answer the phone if his government calls again.

Certain of the immunized witnesses were actually praised for their courage to testify, in contrast to General Secord, whose reputation and integrity were attacked for obvious, partisan purposes. Although this entire experience has been more than slightly bitter for General Secord, he remains confident that he acted appropriately and honestly in the service of his country.

Whether by its treatment of General Secord the Congress has hampered its ability to entice and receive

UNCLASSIFIED

SHARP, GREEN & LANKFORD

SC 041011

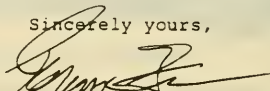
UNCLASSIFIED

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987,
Page 18

voluntary testimony from important witnesses is a separate question. Certainly the treatment accorded General Secord could not have been designed to enhance the image of Congress as an impartial and fair investigator.

On behalf of Richard V. Secord, I respectfully request that this letter be entered in the official record of the Committees' investigation.

Sincerely yours,



Thomas C. Green

TCG:jme

attachments

UNCLASSIFIED

UNCLASSIFIED

LAW OFFICES
 SHARP, GREEN & LANKFORD
 800 MASSACHUSETTS AVENUE N.W.
 WASHINGTON D.C. 20036

SC 0410

JAMES E. SHARP
 THOMAS D. GREEN
 THOMAS LANKFORD, JR.
 STEVEN W. JOHNSON
 BARBARA STRAUSSMAN HARRIS
 WALTER H. PATTER
 ROBERT J. WELLS

May 26, 1987

TELEPHONE
 202-462-24
 TELETYPE
 TELEFAX

MEMBER OF BAR ASSOCIATION
 MEMBER OF NATIONAL BAR ASSOCIATION

John W. Nields, Jr. Esq.
 Counsel to U.S. House Select
 Committee to Investigate Covert
 Arms Transactions with Iran
 Room H419
 United States Capitol
 Washington, DC

Dear Messrs. Liman and Nields:

I am writing to clear up some confusion which has arisen with respect to the purchase of certain assets for the benefit of the Contras. Three Maule aircraft were transferred to the Contras in 1985 at the direction of Mr. Secord. The first aircraft, tail number N5657H, was titled to NRAF, Inc., 52 Y el Vira Mendez, Panama, RP, in approximately July or August of 1985. This aircraft was previously owned by Mr. Secord and several colleagues. The Contras purchased the aircraft by wire transferring an amount equivalent to the outstanding indebtedness on the plane.

Maule aircraft tail numbers N5661I and N5661J were titled in the name of NRAF, Inc. on September 10, 1985, and on October 29, 1985, respectively. These aircraft were bought at cost from Maule Air, Inc. All three of these aircraft are owned exclusively by the Contras. Mr. Secord has no interest, direct or indirect, in any of these planes.

During the interrogation of General Singlaub, he was led to confirm that he could have bought twice the quantity of munitions at the prices charged by Mr. Secord. This conclusion is absolutely without merit. Only four items were purchased by both General Singlaub and Mr. Secord.

General Singlaub sold 10,000 AK-47's, folding stock model, at \$138.00 per rifle. Mr. Secord sold 3,000 AK-47's, wooden stock model, at \$117.00 per rifle. The wooden stock rifles were purchased for a cost of approximately \$180.00 per rifle, and they were sold at a 20% mark up to the Contras.

General Singlaub sold 15,000,000 rounds of 7.62 x 39 at a price of \$110.00 per thousand. Mr. Secord sold 7,500,000 rounds at an average price of \$136.00 per thousand. Including mark up, Mr. Secord's price equates to 2.30 per round or one-half the quantity.

UNCLASSIFIED

4749

Declassified/Released on 1/22/88
 under provisions of E.O. 12356
 J. J. Regan, National Security Council

SHARP GREEN & LANFORD

UNCLASSIFIED

SC 04102

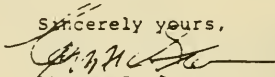
General Singlaub sold 200 RPG-7's at \$1,650.00 per launcher. Mr. Secord sold 80 RPG-7's at \$1900.00 per launcher. Mr. Secord's price was 15% higher than General Singlaub's price on less than one-half the size of Singlaub's order.

General Singlaub sold 5,000 RPG-7 rounds at \$25.00 per round. Mr. Secord sold 3,000 such rounds at \$225.00 per round. This presents a 21.6% mark up over General Singlaub's price on little more than half the quantity supplied by General Singlaub.

General Singlaub shipped 348 tons of material and charged the Contras approximately \$300,000.00 for shipping. Mr. Secord shipped over 600 tons and charged the Contras \$150,000.00 for shipping.

If Mr. Secord had dealt in quantities comparable to those purchased by General Singlaub, the resulting price differential would have been de minimus, which means, in effect, that Mr. Secord was buying at substantially better prices.

Sincerely yours,



Thomas C. Green
Attorney for
Richard V. Secord

TCG:ddd

UNCLASSIFIED

UNCLASSIFIED

SC 04103

ARMS SALES PROFIT ANALYSIS**PREPARED BY RICHARD V. SECORD**

1985-1986

Phase I (Airlift February 1985; Sealift April 1985)

Sell \$2,346,175

Costs 1,634,901

Profit 711,274 or 30.3% gross (43.5% of cost)

Phase II (Airlift March 1985)

Sell \$1,235,596

Costs 924,756

Profit 310,840 or 25.1% gross (33.6% of cost)

Phase III (Sealift June 1985)

Sell \$6,407,512

Costs 5,190,512

Profit 1,217,000 or 18.99% gross (23.45% of cost)

Phase IV (Airlift November 1985)

Sell \$2,255,200

Costs 2,003,200

Profit 252,000 or 11% gross (12.78% of cost)

UNCLASSIFIED

UNCLASSIFIED

Phase V (Airlift March 1986)

Sell \$504,140

Costs 354,140

Profit 150,000 or 29.7% gross (42.3% of cost)

Phase VI (Airlift April 1986)

Sell \$441,640

Costs 353,337

Profit 88,303 or 19.99% gross (25% of cost)

Phase VII (2 airlifts May 1986)

Sell \$938,635

Costs 637,467

Profit 301,168 or 32% gross (47.2% of cost)

GRAND TOTALS

Sell \$14,128,898

Costs 11,101,313

Profit 3,027,585 or 21% gross (27.3% of cost)

Note: Sealift July/August 1986 aborted

Costs about \$2,400,000

Sold CIA 1,500,000

Returned to Enterprise - 1,200,000 (300,000 brokers

fee to DEFEX)

UNCLASSIFIED

UNCLASSIFIED

- 3 -

SC 04105

TOTALS OF TRANSACTIONS PRICED EXCLUSIVELY BY SECOND

Sell. \$11,782,723

Costs 9,466,412


Profit 2,316,311 or 19.65% gross (24.5% of cost)

UNCLASSIFIED

CLASSIFIED AT TIME OF PUBLICATION.

Chapte
Footr 22-62

UNCLASSIFIED

 CRED. SUISSE CREDITO SVIZZERO
SCHWEIZERISCHE KREDITANSTALT

1211 GENEVE EAUX-VIVES
TEL. 022/36 53 80
01 MAI 86

Unre: Nre: Nostro/Our REF
ZA 0501-9252-023

Hoaber/Titularo/Transfer/Moaber

H 893
ALBON: VALUES CORP

DEBIT ADVICE

Konto/Compte/Conto/Acc No

WE HAVE DEBITED THE ACCOUNT ON THE RIGHT
AS PER ORDER OF 30 APR 86

CURRENT ACCOUNT

CHARGES USS 110,000.00
 USS 8.38

VAL 01 MAI 86 USS 110,008.38

Zahlungsbund/Motif du paiement/Motivo del pagamento/Details of payment
REF.TLX NO 9154 86-04-23

_____ BENEFICIARY
GOULDERS CLIENTS ACCT
HOARE'S BANK SORTING CODE
15-99-00 LONDON

Hochachtungsvoll/Vos deheues/Con distinta stima/Teu's truly

SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE CREDITO SVIZZERO

Formula ohne Unterschrift/Formula senza signature
Modulo senza firma/Form without signature

TELEX/TELEGRAM TO
HOARE'S BANK
LONDON

Contr. SCED
947

1 No 7786 1.88 1980

Par Declassified/Released on 1/23/89
under provisions of E.O. 12345
J. B. Baker, W. Hall 1234 5678

4750

UNCLASSIFIED

UNCLASSIFIED

FROM 01 01 84 TO 04 12 86
86 12 10 PAOL 1

WALTON, J. J. in check 002

FROM 01 01 84 TO 04 12 86

WAL NG CONTRA

US\$

00000001

GOULDENS CLIENTS ACCOUNT

1 5 GOULDENS CLIENT

1073 II

TRANSACTION & BALANCE

DEBIT	CREDIT	BALANCE
110 000 00		110 000 00
110 000 00	0 00	110 000 00

4203 ALBERT HAKIM LEDGER

A/C NAME & DESCRIPTION

06401

Declassified/Released on 12/27/2003
Under provisions of E.O. 12958
J. B. Regier, National Security Council

4751

UNCLASSIFIED

22-65

7

See Hearing Exhibit OLN-181

Chapter 22, Footnote 67

UNCLASSIFIED

22-67

MANAGER
telex: 01768

GENEVA, JANUARY 7TH, 1986
ATTN: MRS NANCY MORABIA
RE : CSF INVESTMENTS LTD.

PLEASE TELEX TRANSFER THE AMOUNT OF US DLRS 125'000.--
BY ORDER OF UDALL RESEARCH CORPORATION

H 1553

TO: FIRST UNION NATIONAL BANK
CHARLOTTE - NORTH CAROLINA
ROUTINE TRANSFER NO. 053 000 219

FOR: GREENSBORO - ROUTINE NO. 053 108 580

IN FAVOUR OF (JOSEPH HAMILTON) ESCROW AGENT
ACCOUNT NO. [REDACTED]

5000.-
2.000.-

TEST KEY NO 489

THANK YOU IN ADVANCE,
BEST REGARDS,
CSF INVESTMENTS LTD.
•• Start of response ••
•• Telex sent 17:45:32 07/01/86 ••

1/22/86

DATE: 07/01/86
TIME: 17:45:32
REF: 01768

4752

023-421434

023421434+
1TT JAN 07 1146
421434 BLICBANK

4203001 → 5606001
(640201)

428665 CSF CH
C1

420505 CSF CH
421434 BLICBANK

FBI

FEDERAL FUNDS

01/07/86



Republic National Bank of New York
452 Fifth Avenue • New York, New York 10018

5046

WE DEBIT YOUR ACCOUNT FOR THE REASON INDICATED BELOW

DATE 01/07/86

AMOUNT

UDALL RESEARCH CORPORATION GREENSBORO ROUTINE NO. 053108580 FOR
HAMILTON ESCROW AGENT AND 0205050400 INS. C O F INVESTMENTS LTD

FROM C O F INVESTMENTS LTD

TOTAL 125,000

C O F INVESTMENTS LTD

ACT NO [REDACTED]

MAIL TO
UND

AUTHORIZED SIGNATURE

01001507 04401 01847

UNCLASSIFIED

22-67

CLASSIFIED AT TIME OF PUBLICATION.

22-68

CLASSIFIED AT TIME OF PUBLICATION.

Page 22 #99

22-69

UNCLASSIFIED

18 Oct Q2522

Next Delivery to T. - 22 Oct

Q2522

Calero

• Bounty for Sandino's ⁵⁰⁰ ~~500~~
 5.450.000
 \$1 ea for soldier capturing
 200K to POW for each 5

• Pilot training at [redacted]

[Large redacted block of text]

UNCLASSIFIED

22-74

UNCLASSIFIED

19 May 0 2155

Chapter 22
Footnote 74

1399 - NYG w/ Secord

- no serious activity ongoing that
we
want to bring back in early to
Israel
- Expose P/u records

1430 - NYG w/ Gen. Gorman

Declassified/Released on 12/22/2011
under provisions of E.O. 12958
B. Réger, National Security Council

1515 - Atty. w/ Lee Ransier

4753

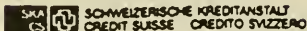
UNCLASSIFIED

22-75

CLASSIFIED AT TIME OF PUBLICATION.

Chapter
Footnot 22-76

UNCLASSIFIED



1214 GENEVE EAUX-VIVES

TEL. 022/36 53 80

H 882

SOF 1-860515-04-10072/03

PIECE DE CAISSE

Date / Date / Data 15.05.86 13:12:01

Compte / Account No. [REDACTED]

ALBON VALUES CORP

COMPTTE COURANT

Text / Texte / Testo	Anzahlung / Payment / Pagaiento / Withdrawal SFR / FRB	Einzahlung / Virement / Versamento / Deposit SFR / FRB	Val.
PRELEVEMENT	54.873.00		150586
AU COURS DE 1.82000			
debit: <i>[Signature]</i> Bill/Greg/AVC			

CREDIT SUISSE

MONTANT RECU

SW 8701 12.00 10.000 0.0.000 P

[Handwritten signature]

4754

UNCLASSIFIED

Chapter 22
Est. no 76

UNCLASSIFIED

A/C	NAME & DESCRIPTION	DOC NO	CONFIR	DATE	DEBIT	CREDIT	BALANCE
5606001	ALBON VALUES						
29	CHECK QUINTECHO	6004001					
29	BANK CHARGES	6404001					
30	BANK CHARGES	6004301					
30	BANK CHARGES	6404001					
30	BANK CHARGES	6004901					
30	BANK CHARGES	6404001					
30	BANK CHARGES	5603001					
1	TRANSFER TO DOLHY	6404001					
1	BANK CHARGES	6404001					
1	GOLDENS CLIENT	6004401					
1	BANK CHARGES	6404001					
1	CASH ERIC ZUCKER	6402001					
2	BANK CHARGES	6406001					
2	TRANSFER	9999901					
5	NORTH TRUST BANK MOTOROLA INC	6004501					
5	BANK CHARGES	6404001					
5	CIE SERV FID STGI	6404001					
5	CIE SERV FID BANK CHARGES	6007001					
6	FROM CALL	6404001					
6	INTEREST	5606101					
7	FROM CALL	7700001					
7	BANK CHARGES	5606101					
7	INTEREST	56015001					
12	FROM ALDON	7700601					
12	FROM CALL	5606101					
12	INTEREST	7700601					
13	RE TRIP OF 05/13/86	6404001					
13	BANK CHARGES	6404001					
13	RE TRIP OF 05/13/86	6404001					
13	CIE SERV FID	6404001					
14	TUB CODELIS	6004901					
15	FROM CALL	6004901					
15	CASH GEN EXP RUS/AM	5606101					
15	INTEREST	6404001					
16	TRI AMERICAN AIRMS	5604201					
16	BANK CHARGES	7700601					
16	BANK CHARGES	6404001					

FROM 01 01 86 TO 04 12 86

DOC NO CONFIR

(SUIFE)

DEBIT

CREDIT

BALANCE

6004001	5 000 00		
6404001	5 89		29 655 15
6004301	7 000 00		
6404001	15 63		
6004901	10 000 00		
6404001	15 63		12 733 89
5603001	40 000 00		
6404001	200 00		
6004401	110 000 00		
6404001	8 38		
9999901	500 00		136 976 49-
6404001	8 12		
6004501	2 276 80		140 257 41
6404001	100 000 00		
6007001	8 38		
6404001	15 000 00		
5606101	200 00		255 465 79
7700001	180 000 00		
5606101	2 373 53		75 092 46-
6404001	100 000 00		
5606101	206 67		25 678 98
7700601	300 000 00		
6404001	1 250 00		19 378 98
56015001	3 000 00		
6404001	15 00		
7700601	2 793 30		15 070 60
6404001	500 00		
6004901	101 500 00		80 429 52-
6404001	2 177 78		
5604201	30 150 00		756 10
7700601	600 00		
6404001	150 000 00		
6404001	8 58		150 605 48

under a fiction name of
Ernest B. ...

1/22/88

77550

UNCLASSIFIED

Chapter 22
Footnote 77 22-77

UNCLASSIFIED

A/C	NAME & DESCRIPTION	DATE	AMOUNT	CURRENCY
604501	MOTOROLA INC.			US\$
5	NORTH TRUST BANK MOTOROLA INC.	5606001		
TRANSACTIONS & BALANCE				
				H 1074

DEBIT	CREDIT	BALANCE
100 000 00		100 000 00
	0 00	100 000 00

4756

under provisions of E...
B. Roger, Radio...

UNCLASSIFIED

Chapter 22
Footnote 77**UNCLASSIFIED**
R. ~~Secret~~*Itinerary*

Trip to Miami, FL

Re: Meeting w Rep for [REDACTED]
and 2 Reps for Motorola

	Am Exp Ch	Cash
Airfare (to Miami)	\$129.00	
Hotel (Miami)	136.06	
Rental Car (Miami)	37.75	

STG

5286

Declassified/Released on 11/27/00
under provisions of E.O. 12958
2. Page, National Security Council

4757

UNCLASSIFIED

UNCLASSIFIEDChapte
Foot 22-81DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
WASHINGTON, D.C. 20380-5001

N F

0378...
5041
CI. 387075
9 July 1987

The Honorable Daniel K. Inoué
The Honorable Lee H. Hamilton
Chairmen, House and Senate Select Committee
on the Iran/Contra Affair
U. S. Capitol
Washington, D.C. 20513

Gentlemen:

In response to a telephonic request for information from your staff on 8 July 1987, answers are provided to the following questions:

1. Did LtCol North make a request around April 1986 for the Marine Corps to provide security for his home?

A review of our records indicates that Headquarters, U.S. Marine Corps, never received such a request. However, LtCol North was assigned to the National Security Counsel, and we have not conferred with other federal agencies to determine if a request was made of them.

2. What procedures would have been followed if the Marine Corps or the Department of the Navy had received a request from LtCol North for protection in April 1986, and determined that the threat was real?

The request would first have been discussed with the Secret Service, who has primary responsibility for White House and NSC security. If they declined protection, discussions would have been held between the Secretary of the Navy and the Commandant of the Marine Corps to evaluate options and review courses of action.

3. What is the extent of the protection that the Marine Corps is now providing for LtCol North's home?

Thirty-five special agents of the Naval Intelligence Service are assigned this week to provide 24-hour surveillance of LtCol North's home. The normal coverage since April 1987 has been fifteen to twenty agents.

4. Did LtCol North request the protection?

LtCol North did not make a direct request per se. His lawyer reported receipt of FBI information regarding threats. These threats were evaluated and brought to the attention of the Assistant Commandant of the Marine Corps

Declassified/Released on *12/22/87*
under provisions of E.O. 12856
of S. Reger, National Security Council

4758

UNCLASSIFIED

UNCLASSIFIED

N F 0379

and the Undersecretary of the Navy with a recommendation by NIS that protection be provided.

5. Who decided to provide the protection?

The decision was made by the Undersecretary of the Navy on 8 April 1987.

6. What were the dares the LtCol North and his family went to Camp Lejeune, North Carolina, for protection?

13-17 April 1987.

I understand that other questions relating to the criteria used to determine whether protection was warranted and the statutory and regulatory authority for such protection will be addressed separately by the Secretary of the Navy.

Sincerely,



PETER M. MURPHY

Counsel for the Commandant of the Marine Corps

UNCLASSIFIED

UNCLASSIFIED



THE SECRETARY OF THE NAVY
WASHINGTON, D. C. 20350

N F 0380

9 July 1987

The Honorable Warren B. Rudman
United States Senate
Washington, D.C. 20510

Dear Senator Rudman:

Your staff has requested that I provide you information concerning the policy of the Department of the Navy concerning protection of personnel.

Protection for Department of the Navy personnel, their dependents, facilities, and equipment from terrorist acts is provided pursuant to the statutory authority of the Secretary of Defense (10 U.S.C. 113) and the Secretary of the Navy (10 U.S.C. 5013). Enclosed are the applicable directives implementing departmental policy with respect to such protection. Within the Department of the Navy, the responsibility for providing protective services has been assigned to the Commander, Naval Security and Investigative Command (Naval Investigative Service). Upon receipt of information indicating a threat to a particular individual, the Commander Naval Security and Investigative Command would assess the validity of the information, determine whether protective services were appropriate, and, if so, at what level. If the military member was, at the time of the reported threat, assigned outside the Department of the Navy, Commander Naval Security and Investigative Command would coordinate any consideration for protective service with other interested agencies.

Sincerely,

James H. Webb, Jr.

Enclosures

4759

~~Per~~ Declassify/Released on
under provisions of E.O.
13526, J. B. Reger, Retired

UNCLASSIFIED

Chapter 22, Footnote 85
September 3, 1986

H F 1365

MEMO TO THE FILES

FROM: Steven K. Berry, Associate Counsel

RE: August 6, 1986, 8:35 a.m., White House Situation Room.
Discussion with Mr. Ollie North regarding House Resolution 485, directing the President to provide to the House of Representatives certain information concerning the activities of Lieutenant Colonel Oliver North or any other member of the staff of the National Security Council in support of the Nicaraguan Resistance, submitted by Congressman Tom Coleman.

In attendance: Bob Pearson, Counsel, NSC; Ollie North, Special Assistant, NSC; Ron Sable, Director of Legislative Affairs, NSC; Tom Latimer, HPSCI; Steve Berry, HPSCI.

Members present: Chairman Hamilton, Messrs. McCurdy, Kastenmeier, Daniel, Roe, Stump, Ireland, Hyde, Cheney, Livingston and McEwen.

Mr. Ollie North indicated that his principle mission was to coordinate contacts with the FDN (the Nicaraguan Resistance) and U.S. government officials. One of the main purposes of his job was to assess the long-term viability of the FDN as a democratic institution and to explain the U.S. government's relationship to that organization including the explanation of the Boland Amendment. North indicated he gave the FDN and their officials advice on human rights and political advice concerning the need for an improved civic image. North also explained the United States' legal position with regard to the guidelines and limitations of U.S. support as outlined under the Boland Amendment. Prior to the ban on assistance to the Nicaraguan Resistance of October 1, 1983, North indicated he had given books to the leadership of the FDN which focused on creating guerrilla movements and popular support for their goals, ideas and objectives. In support of that concept, North asked the FDN leaders to focus on the principles and the tactics espoused by such individuals as Maosetung and Sungsu and Cheginerria and also asked that they focus on the internal and external support necessary to continue the movement. North indicated that he stressed these points with Calero, Bermudez, Cruz, Robello, and Pastors when he was an active participant.

When queried regarding his relationship with General Singlaub, Colonel North indicated that although he knew him he had no association as indicated in press reports and it was unfortunate that General Singlaub made those statements.

Mr. Roe asked Mr. North to comment on his relationship with Robert W. Owen, a former Hill staffer who was employed by the Nicaraguan Humanitarian Assistance Office (\$50,000 contract), to facilitate delivery of supplies to the FDN and UNO. Colonel North indicated that he had talked to Robert Owen, had only a casual and formal contract with him, was familiar with Owen but that his contacts were greatly exaggerated and were not nearly as extensive as the press had reported.

Par... / Declassified / Released on 11/2/97
under provisions of E.O. 12812
/ B. Regier, National Security Council

UNCLASSIFIED

4760

UNCLASSIFIED 22-85

UNCLASSIFIED

H F

1366

Similarly, Mr. North indicted he did not know Mr. Terrill, an individual who had appeared on numerous news shows and who had been quoted in newspapers supporting allegations of improper activities of Colonel North. Furthermore, it seemed as though Mr. Terrill was not who he said he was and had never been an Army officer.

Mr. North in a direct response to a question regarding the proprieties of his activities after October 1, 1984, responded that he did not in any way, nor at any time violate the spirit, principles or legal requirements of the Boland Amendment.

Congressman Ireland indicated that he had heard of several personal difficulties Colonel North and his family had experienced since the newspaper articles disclosed his job, duties and responsibilities in the NSC.

To summarize, Colonel North, his wife and children, have been targets of organized protests and pickets in front of his home, his personal property was damaged, fences torn down, his car damaged, his house had been broken into, his dog had been poisoned, his family received continuous threatening phone calls during all hours of the day and night and his children had been threatened. At the suggestion of the FBI and Secret Service his family was moved for several weeks to [redacted] while improved security procedures were installed in his home at North's expense. [redacted]

[redacted] Colonel North has also been listed by the PLO terrorist organization headed by Abu Nadul, as an enemy of the Palestine Liberation Organization and has been targeted to be killed. These international incidences seem to be tied very closely to a Soviet disinformation campaign in response to U.S. policy in Central America.

Near the conclusion of the meeting. Congressman McCurdy supported by several other Members of the Committee indicated that although it was no longer necessary for the Intelligence Committee to meet to report on H. Res. 485 to stay its privileged status, he hoped the Intelligence Committee would meet to adversely report H. Res. 485 in the near future. The Chairman responded that action would be more appropriately done at a Full Committee Meeting after all Members had been notified of the Committee meeting.

The Chairman expressed his appreciation for the good faith — effort that Admiral Poindexter had shown in arranging a meeting and indicated his satisfaction in the responses received. Ron Sable from the NSC staff expressed the Administration's concern and his hope that this meeting had satisfied the Committee's concern with regard to the allegations of improper conduct by Lt Col North and further expressed his hope that this meeting would be the final chapter in the Committee's inquiries. The Chairman indicated that, barring any new or additional information, he too thought the Committee would be satisfied with the information that it had received.


UNCLASSIFIED

Chargé de
Fonction 100

22-100

UNCLASSIFIED

ii 518

 SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE CREDITO SVIZZERO

1211 GENÈVE 1125 TEL. 122 36 30 6 S. 122 36 41 10

PRÉLEVEMENT DE CAISSE Date Date 21. 8. 68 13:04:34

N. de Compte [REDACTED] LAURE REBOZEC INC

COMPTES COURANTS

Text Text Text

PRELEVEMENT [REDACTED] 268.000.00 AU COMPTES DE [REDACTED] 27 000

AGENC. N. 28 1. SOIT US\$ 65.000.--

CREDIT SUISSE MONTANT RÉG.

874 12 82 15 200 8 100 8

UNCLASSIFIED

Partially declassified
under provisions of E.O. 12958
by R. [REDACTED] on 4/27/88

4761

UNCLASSIFIED

19 May 0 2155

Chapter 22
Footnote 24

1300 - MFG W/ Secura

- No serious activity ongoing that
- was
- Years to bring \$260K in cash to
- trace
- Lopez P/U traces

1430 - MFG. of Gen. Gorman

Declassified / Released on *[Signature]*
under provisions of E.O. 13526
B. Reiser, National Security Council

1545 - Atty. w/ Los Rios

4753

UNCLASSIFIED

Chapter 22
Footnote 1a

UNCLASSIFIED

22-101

H 107

SMA CS SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE CREDITO SVIZZERO

1211 GENEVE EAUX-VIVES

TEL. 022/36 53 80

SOF0-860718-04-10037/04

PIECE DE CAISSE

Datum / Date / Data 18.07.86 11:19:21 0014

Konto / Compte
Conto / Account No



HYDE PARK SQUARE CORP

US\$

Text / Texte / Testo		Auszahlung / Payment / Payerente / Withdrawal		SFR / FRS	Einzahlung / Versamant Versamant / Deposit		SFR / FRS	VR
VENTE	US\$	310.374.00	A	100.250				
	AGIO US\$			775.94	DEBITE			
								180786

CREDIT SUISSE

MONTANT RECU

NO 0741 12.86 10000 R. & 400 P

1/22/88

4762

UNCLASSIFIED

Chapter 22-101
Footnote

UNCLASSIFIED

4203	ALBERT HAKIN LEDGER	FROM 01 01 84 TO 04 12 86	DOC NO CONTRA	DEBIT	CREDIT	BALANCE
	***** CHARGES					
	***** CHARGES					
000001	***** TRANSIT ACCOUNT					
16	5 WITHDRAWAL CASH FROM LAKE		9999901	774 438 00		
06						
16	5 TRANSFER		7000001	640 000 00	224 438 00	0 00
21	5 WITHDRAWAL CASH FROM LAKE		9999901	310 000 00		230 100 00
18	7 CASH WITHDRAWAL		5608001	125 000 00		820 00 00
18	7 CHG ALBERT C HANSEN		5608001	125 000 00		
18	7 CHG ASHER HIRD		5608001			
	TRANSACT. & BALANCE			1 044 438 00	224 438 00	820 00 00

H 1048

US\$

US\$

Declassified/Released on 11/20/99
under provisions of E.O. 12958
J. S. Reger, National Security Council

4763

UNCLASSIFIED

Chapter Footnote 22-102

UNCLASSIFIED

4203 ALBERT HANKIN
 LEDGER
 A/C NAME & DESCRIPTION
 14 5 TDB CODELLIS
 000000 CODELLIS
 IRREVERSIBLE & DRAINABLE

8-10-86

FROM 01 01 86 10 04 12 86
 DOC NO CONTRA 0

5006001 US\$

DEBIT	CREDIT	BALANCE
100 500 00		100 500 00
100 500 00	0 00	100 500 00

12/2/86
 Office of Economic Development
 2000 Market Street, Detroit

4764

UNCLASSIFIED

Chapter 22
Footnote 102

UNCLASSIFIED

A/C	NAME & DESCRIPTION	UOL NO (CONTR)	DATE	DEBIT	CREDIT	UNPLNLE
4203	ALBERT HUKLIN LEUGER		FROM 01 01 84 TO 04 12 86			2
640201	BUSINESS EXPENSES					
31-7	CASH WITHDRAWAL			40 000 00		243 606 64
20	8 CASH WITHDRAWAL - TC			10 000 00		223 606 67
22	8 CSF REIMBT CHQ ROBINETTE			9 000 00		262 606 67
26	8 CASH WITHDRAWAL			9 453 30		
26	8 CASH WITHDRAWAL			500 00		272 559 97
28	8 CASH WITHDRAWAL			1 000 00		273 559 97
1	9 TDB - CSF - RE CASH WITHDRAWAL			500 000 00		324 559 97
18	9 CASH WITHDRAWAL - TOM CLINES			500 000 00		329 559 97
23	9 CASH WITHDRAWAL - RVJ			500 000 00		339 559 97
24	9 CASH WITHDRAWAL - TOM CLINES			7 000 00		341 559 97
30	9 TDB REIMBT CASH WITHDR INI			5 000 00		341 559 97
30	9 CASH WITHDRAWAL ERIC ZUCKER			51 000 00		393 559 97
8	10 JILA H. LANKRANVI			1 000 00		405 559 97
8	10 EXECUTIVE TRAVEL SFR 703			5 740 00		411 759 94
14	10 CONSULAR			435 97		414 135 94
15	10 CIE SERV FID REIMBT CASH RM			2 400 00		416 135 94
17	10 CHECK MC ALISTER			7 000 00		419 235 94
22	10 C S F. REIMBT PRELEVY CASH			3 100 00		421 235 94
23	10 REIMBURSEMENT CASH			2 000 00		
23	10 CANCELLATION REIMBT CASH			999 9901	2 512 00	
23	10 CANCELL REIMBT CASH			600 0001	13 00	421 235 94
27	10 WITHDRAWAL CASH ROBERT ENGLISH			500 0001	511 000 00	
27	10 CIE SERV FID REIMBT CASH INI			500 0001	51 000 00	
27	10 WITHDRAWAL			500 0001	420 96	512 656 90
28	10 SERP ID REIMBT SFR 703 GAVION FRANKA			6 000 00		518 656 90
3	11 SERP ID INV 1421 + 60 SFR			338 37		518 995 27
5	11 WITHDRAWAL			500 0001	10 000 00	530 171 74
5	11 WITHDRAWAL SFR 2000			500 0001	1 176 47	
6	11 WITHDRAWAL SFR 2000			500 0001	10 000 00	544 843 27
13	11 REIMBT SERP ID SFR 205			500 0001	4 671 53	546 966 76
24	11 RETURN TRANSF CONSULAR			500 0001	123 49	547 566 76
26	11 REIMBT SERP ID SFR 10195			500 0001	6 216 46	548 783 22
28	11 REIMBT SERP ID SFR 168			500 0001	100 90	548 884 12

1093

(SUITE)

4765

UNCLASSIFIED

Partially Declassified/Released on 11/18/11
Under provisions of E.O. 12958
J. B. Reger, National Security Council

Chapter 22
Footnote 102

UNCLASSIFIED

CREDIT SUISSE CREDITO SVIZZERO
SCHWEIZERISCHE KREDITANSTALT

1211 GENEVE EAUX-VIVES
TEL. 022/36 53 80
14 MAI 86

Unbear/Numero/Numero/Our REF
ZA 0514-9252-106

Inhaber/Titulaire/Titular/Holder

H 883
ALBOH VALUES CORP

DL) T ADVICE

WE HAVE DEBITED THE ACCOUNT ON THE RIGHT
AS PER ORDER OF 13 MAI 86

VAL 14 MAI 86 US\$ 101,500.00

Konto/Compte/Conto/Acc. No.

CURRENT ACCOUNT
Zahlunggrund/Motif du paiement/Motivo del pagamento/Contato di pagamento

BENEFICIARY
COMPTC CODELIS

Hochachtungsvoll/Vos dévoués/Con distinta stima/Vours truly

Contr. SCED
796

SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE CREDITO SVIZZERO

Fornitura ohne Unterschrift: Fornitura senza signature
Module senza firma: Form without signature

TELEX/TELEGRAM TO
TRADE DEVELOPMENT BANK
CASE POSTALE 874

1211 GENEVE 1

1 no 7768 LBB 1980

1/22/86
4766

UNCLASSIFIED

CLASSIFIED AT TIME OF PUBLICATION.

Chapter 22
Footnote 109

LAKE RESOURCES
BANK TRANSACTIONS
(EXCLUDES CDs)

Report Date: 9-11-87

Date	Reference Bank / Lake Account	Transaction Type	Disbursements	Receipts	Balance
05-15-86	INTEREST RECEIVED BY ALBON VAL (SB 9202) ALBON VALUES COMP.	Wire Deposit (RB 9948)	H936	600.00	13,176,365.28
05-15-86	CASH FROM ALBON VALUES (SB 9202) ALBON VALUES COMP.	Wire Payment (RB 5202)	H881		13,173,587.50
05-15-86	CASH FROM ALBON VALUES (SB 9202) ALBON VALUES COMP.	Wire Payment (RB 5202)	H882		13,143,437.50
05-15-86	U. S. TREASURY (SB 9208) HYDE PARK SQUARE CORP.	Wire Payment (RB 1203)	H182		6,643,434.71
05-16-86	GARNET OVERSEAS, INC. (SB 1065) LAKE RESOURCES	Wire Deposit (RB 1254)	H520	5,000,000.00	11,643,434.71
05-16-86	EYMAN, MENN (SB 1065) LAKE RESOURCES	Wire Deposit (RB 8436)	H522	1,460,000.00	13,103,434.71
05-16-86	LAKE RESOURCES (SB 9208) HYDE PARK SQUARE CORP.	Wire Deposit (RB 1065)	H179	5,000,000.00	18,103,434.71
05-16-86	HYDE PARK SQUARE CORP. (SB 1065) LAKE RESOURCES	Wire Payment (RB 9208)	H520		16,903,434.71
05-16-86	CASH WITHDRAWN FROM LAKE RES. (SB 1065) LAKE RESOURCES	Wire Payment (RB 5265)	H521		16,678,434.71
05-16-86	HYDE PARK SQUARE CORP. (SB 1065) LAKE RESOURCES	Wire Payment (RB 9208)	H522		11,678,434.71
05-16-86	TRI AMERICAN ARMS (SB 9202) ALBON VALUES COMP.	Wire Payment (RB 8420)	H880		11,528,426.33
05-20-86	ALBON VALUES CORP. (SB 9201) TOYCO S. A.	Wire Deposit (RB 9202)	H504	50,000.00	11,978,426.33
05-20-86	SCITECH TRADING GROUP (SB 9202) ALBON VALUES COMP.	Wire Deposit (RB 9223)	H2419	8,333.00	11,986,759.33
05-20-86	ALBON VALUES COMP (SB 9204) UDALL RESEARCH CORP.	Wire Deposit (RB 9202)	H797	350,000.00	11,936,759.33

UNCLASSIFIED

601-22

ii 06925

48668

UNCLASSIFIED

UNCLASSIFIED

Cho
Fe 22-120 20

CS SCA CREDIT SUISSE SA BILLO SVIZZERO
SCHWEIZERISCHE KREDITANSTALT

1211 GENEVE EAUX-VIVES
TEL. 022/36 53 80
02 APR 85

Numero/Numero/Numero/Code
ZA 0402-9207-040

ENERGY RESOURCES INTERNATIONAL SA
H 382 39

AC 9 DE DEBIT

NOUS AVONS DEBITE LE COMPTE CI-CONTRE
SELON ORDRE DU 01 APR 85

FRAIS	US\$	20,020.00
	US\$	5.62
	-----	-----
VAL 03 APR 85	US\$	20,025.62
	-----	-----
	*****	*****

Compte/Compte/Compte/Code
COMPTE COURANT

Zahlungsbefehl/ordre de paiement/Memoire de paiement/Ordre de paiement
ATT. M. NINOVE

BENEFICIAIRE
COSFIN BV

TELEX/TELEGRAMME A
CONTINENTAL BANK SA
227 RUE DE LA LOI
0-1040 BRUXELLES

Notachtungswahl/Viel devoirs/Can devoirs/Instructions
SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE CREDITO SVIZZERO
Formular ohne Unterschrift Formulare sans signature
Modulo senza firma Form without signature

Contr. GEPI
374

1 No 7785 12.89 1000

Partially Declassified / Released
under provision of E.O. 12856
by B. Jager, National Security Council

UNCLASSIFIED

4767

ch 22
120

UNCLASSIFIED

CREDIT SUISSE
SCHWEIZERISCHE KREDITANSTALT

211 GENEVE EAUX-VIVES
EL. 022/36 53 80
7 MAI 85

Uberschreibung/Our Ref
ZA 0517-9255-109

ENERGY RESOURCES INTERNATIONAL SA
85

VIS DE CREDIT

VOUS AVONS CREDITE LE COMPTE CI-CONTRE

AL 16 MAI 85 US\$ 4,906.88

Konto/Compte/Conto/ACC. No

COMPTE COURANT

Zahlungsgrund/Motif du paiement/Motivo del pagamento/Usato di pagamento

H 332

DONNEUR D'ORDRE
BANCO PORTUGUESE DO ATLANTICO
LONDON

Hochrechnungswert/Vos décaude/Con d-stima stima You's truly

SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE CREDITO SVIZZERO

Formular ohne Unterschrift/Formula sans signature
Modulo senza firma/Formula without signature

NOTRE CORRESPONDANT
CREDIT SUISSE
NEW YORK BRANCH
100 WALL STREET
USA-NEW YORK NY 10005

Donnerstag 570

1 No 7768 1.88 1988

1/22/88

UNCLASSIFIED

4768

cl22 H 291
1120

UNCLASSIFIED

1/22/58

4769

CREDIT SUISSE CREDITO SVIZZERO
SCHWEIZERISCHE KREDITANSTALT

1211 GENEVE FAUX-VIVES
TEL. 022/36 53 80
02 JUL 55

Orders: Swiss: Suisse: Ord. N° 12
ZA 0702-9252-124

ENERGY RESOURCES INTERNATIONAL SA

DE DEBIT

VOUS AVONS DEBITE LE COMPTE CI-CONTRE
SELON ORDRE DU 01 JUL 55

FRANCS 25,020.00
5.91
VALEUR 25,025.91

Titulaire / Titular / Titolare / Holder

Tenue / Compte / Conta / A/c. No

COMPTE COURANT

Zahlungsbefehl über die postamtliche Überweisung
ATTN: MR. BERHARD UIGER

BENEFICIAIRE
CUSFIN SV

UNCLASSIFIED

Hochachtungsvoll / vos ordres / Con @simto stima / Yours truly
SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE CREDITO SVIZZERO
Formular ohne Unterschrift / Formula sans signature
Modulo senza firma / Form without signature

Contr. SUCD
119

TELEX/TELEGRAMME A
CONTINENTAL BANK SA
227 RUE DE LA LOI
B-1040 BRUXELLES

22-121

CLASSIFIED AT TIME OF PUBLICATION.

22-124

CLASSIFIED AT TIME OF PUBLICATION.

22-138

4828

CSF INVESTMENTS LTD.
INCORPORATED IN CANADA

4201 KOBEL ASSETS
LEDGER

FROM 01 01 86 UNCLASSIFIED
DOC. NO. CON. 11 03076

CREDIT BALANCE

A/C. NAME & DESCRIPTION

A/C. NAME & DESCRIPTION	DOC. NO.	CON.	CREDIT	BALANCE
101001 CAPITAL INVESTED (SUITE)				
TRANSFER 75000-6196 ZTJCAN			75 000.00	
9 5 12-0000 HANERSON PROP. INV DEPT				
TRANSFER 25000-6196 ZTJHME			25 937.50	
9 5 12-1250 PRUDENTIAL REALTY SEC. 5				
TRANSFER 50000-6196 ZTJPRR			50 294.70	
9 5 8-5000 SOCIETE GENERALE WARRANT				
TRANSFER 23-6196 ZTJSGHT			3 175.00	
9 5 7-7500 SONY CORPN. EX WARRANTS				
TRANSFER 75000-6196 ZTJSSOM			64 961.49	682 576.28
7 7 MGT FEES 2ND QUARTER 1986				
7001 5600001			2 478.35	680 097.93
9 9 USA/USA AT 0.6325			15 053.39	665 044.54
18 9 USA/HK8 AT 7.8035			17 356.38	647 688.16
24 9 AUSA/USA AT 6375			5 795.74	641 892.42
15 10 MGT FEES 3RD QUARTER 1986			2 924.01	638 968.41
25 11 MKE/USA AT 20.455			69 605.44	569 363.97
11 12 COSE IN. B.V.				
1-4435 743COS4			0.00	569 363.97
23 12 SFR/USA AT 1.6625			210 959.87	126 893.15
23 12 DM./USA AT 1.9858			11 188.50	5 634.20
23 12 YEN/USA AT 1.9858			800 474.50	6 907.87
23 12 MKE/USA AT 4.909			300 000.00	61 112.24
23 12 HK9/USA AT 7.801			163 089.01	20 906.16
23 12 AUSA/USA AT 7.801			51 266.73	34 221.16
23 12 MGT FEES 4TH QUARTER 86			3 144.69	819 891.06
8428 5600001				
TRANSFER BALANCE	235626		933 348.66	819 891.06
101003 BARBAR CAPITAL INVESTED DM.				
22 10 DM/SFR AT 0.8275			9 079.65	10 972.39
23 12 DM./USA AT 1.9858			5 634.20	216.01
11 188.50				
TRANSFER BALANCE			3 445.45	216.01

UNCLASSIFIED

Declassified/Released on 11/28/88
under provisions of E.O. 11652
by D. Sirko, National Security Council

UNCLASSIFIED

ch 22 # 138

22-138

CS SKA CREDIT SUISSE CREDITO SVIZZERO
SCHWEIZERISCHE KREDITANSTALT

1211 GENEVE EAUX-VIVES
TEL. 022/36 53 80
12 APR 85

Unser/Nostro/Nostra/Our/REF
ZA 0412-9251-019

ENERGY RESOURCES INTERNATIONAL SA
ii 373

50

AVIS DE DEBIT

NOUS AVONS DEBITE LE COMPTE CI-CONTRE
SELON ORDRE DU 10 APR 85

VAL 12 APR 85 US\$ 110,336.00

Conto/Compte/Conto/Acc. No

COMPTE COURANT

Zahlungsbetrag/Mont. du paiement/Monto del pagamento/Débit et paiement
REF. AC2

BENEFICIAIRE
CSF INVESTMENTS LIMITED
VALLIS & HAYWARD BLDG
P.O. BOX MH 2273
BIRMIHAMILTON 5-31 BERMUDA

Mitteilungsvoll/Vos dévoués/Con disingno siamo/Your truly

SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE CREDITO SVIZZERO

Formular ohne Unterschrift/Formula sans signature
Modulo senza firma/Form without signature

Conto GEPI
587

Form 7788 12.82 1000

Released on 25 Feb 88
under provisions of E.O. 12958
by K. Johnson, National Security Council

4973

UNCLASSIFIED

UNCLASSIFIED

 CREDIT SUISSE CREDITO SVIZZERO
SCHWEIZERISCHE KREDITANSTALT

1211 GENEVE FAUX-VIVES
TEL. 022/36 53 80
12 APR 85

Unternehmensregister, CH, REG
ZA 0412-9251-020

AVIS DE DEBIT

NOUS AVONS DEBITE LE COMPTE CI-CONTRE
SELON ORDRE DU 10 APR 85

VAL 12 APR 85 US\$ 101,926.78
----- *****

Contr GEPI
588

Hochachtungsvoll / nos remercies / Con gratias simo / yours truly
SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE CREDITO SVIZZERO
Formulaire ohne Unterschrift Formulaire sans signature
Modulo senza firma Form without signature

1 No 778 12.82 1000

ii inf 372

ENERGY RESOURCES INTERNATIONAL SA
49

Compte/Compte/Compte/Account No

COMPTE COURANT

Zahlungsgrund/Motif du paiement/Motivo del pagamento/Dettaglio di pagamento
REF. ACI

BENEFICIAIRE
CSF INVESTMENTS LIMITED
VALLIS & HAYWARD BLOC
P.O BOX MH 2273
BIL-HAMILTON 5-31 BERMUDA

Permanently Declassified/Released on 25 FEB 88
under provisions of E.O. 12958
by K Johnson, National Security Council

UNCLASSIFIED

CLASSIFIED AT TIME OF PUBLICATION.

See Hearing Exhibit AH-29A

See Hearing Exhibit AH-17

See Hearing Exhibit AH-10

See Hearing Exhibit OLN-168

22-155

CLASSIFIED AT TIME OF PUBLICATION.

UNCLASSIFIED

OLLH

22-164

Chapter 22
Footnote 164, 169, 170

STG 134511

STG 13454
Bear Rep Bank
Switzerland

Handwritten notes and a dark ink blot.

UNCLASSIFIED

ANALYSIS OF 1ST AMERICAN BANK

CHECK #	DATE	REMITTANCE	TYPE	AMOUNT OF CHECK	AMOUNT OF DEPOSIT	BALANCE
859	05/05/68	SECOR ASSOCIATES	DEPOSIT	4,000.00	15,000.00 (B)	
	05/07/68	DEPOSIT	DEPOSIT		58,700.00	
870	05/13/68	R.M. SECOR	DEPOSIT	30,000.00		
871	05/14/68	JIM L. CORBIN	DEPOSIT	705.00		
872	05/14/68	SHIRLEY A. WATKIN	DEPOSIT	792.56		
873	05/14/68	AMERICAN EXPRESS	DEPOSIT	8,746.28		
881	05/14/68	C & P TELEPHONE	DEPOSIT	1,729.22		
882	05/14/68	STANDARD TECHNOLOGY CORP.	DEPOSIT	1,512.26		
886	05/14/68	1ST AMERICAN BANK OF VIRGINIA	DEPOSIT	1,177.97		
890	05/14/68	JAMES CORBIN	DEPOSIT	685.84	5,345.24	
891	05/14/68	WILLIAM H. WATKIN	DEPOSIT	782.56		
892	05/20/68	ROBERT C. DUTTON	DEPOSIT	2,261.50		
893	05/20/68	SECOR ASSOCIATES	DEPOSIT	677.00		
896	05/20/68	PHILIP HANCOCK, INC. & CO.	DEPOSIT	2,119.62		
898	05/20/68	WESTBROOK ASSOCIATES	DEPOSIT	4,848.50		
899	05/20/68	WELLS FARGO BANK	DEPOSIT	925.00		
906	05/20/68	STANDARD TECHNOLOGY CORP.	DEPOSIT	1,512.26		
905	06/02/68	ROBERT C. DUTTON	DEPOSIT	2,099.00		
906	06/02/68	SECOR ASSOCIATES	DEPOSIT	5,000.00	10,482.96 (E)	
907	06/02/68	C & P TELEPHONE	DEPOSIT	1,440.00		
912	06/11/68	AMERICAN EXPRESS	DEPOSIT	10,227.84		
914	06/10/68	MURKIN HOTEL	DEPOSIT	20,000.00		
915	06/10/68	WATKIN, FERRIS, WELLS, AND STEIN	DEPOSIT	1,124.50		
916	06/10/68	AMERICAN EXPRESS	DEPOSIT	4,009.36		
917	06/11/68	JIM L. CORBIN	DEPOSIT	774.97		
918	06/11/68	SHIRLEY A. WATKIN	DEPOSIT	792.56		
920	06/13/68	AMERICAN EXPRESS	DEPOSIT	4,272.52		
923	06/24/68	AMERICAN EXPRESS	DEPOSIT	5,000.00		
924	06/24/68	JAMES CORBIN	DEPOSIT	792.56		
925	06/24/68	SHIRLEY A. WATKIN	DEPOSIT	774.97		
926	06/24/68	AMERICAN EXPRESS	DEPOSIT	2,261.50		
927	06/24/68	SECOR ASSOCIATES	DEPOSIT	2,000.50		
932	06/24/68	SECOR ASSOCIATES	DEPOSIT	925.00		
934	06/24/68	WELLS FARGO BANK	DEPOSIT	2,000.00		
936	07/10/68	1ST AMERICAN BANK OF VIRGINIA	DEPOSIT	2,000.00	20,903.07 (B)	
937	07/10/68	DEPOSIT	DEPOSIT		20,000.00 (B)	
943	07/14/68	STANDARD TECHNOLOGY CORP.	DEPOSIT	1,648.72		
944	07/14/68	AMERICAN EXPRESS	DEPOSIT	9,350.17		
957	07/14/68	C & P TELEPHONE	DEPOSIT	1,900.69		
960	07/14/68	JIM L. CORBIN	DEPOSIT	774.97		
962	07/14/68	SHIRLEY A. WATKIN	DEPOSIT	5,000.00		
963	07/14/68	AMERICAN EXPRESS	DEPOSIT	1,020.00		
976	07/18/68	WELLS FARGO BANK	DEPOSIT	792.56		
978	07/20/68	AMERICAN EXPRESS	DEPOSIT	8,000.00		
982	07/20/68	SECOR ASSOCIATES	DEPOSIT	1,505.55		
983	07/20/68	AMERICAN EXPRESS	DEPOSIT	1,648.72		

Footnote 164, 169, 170

22-169+170

UNCLASSIFIED

OLLH

1/27/71
Handwritten notes and a large blacked-out redaction.

STG 134511

STG 13454
Bank of Switzerland

UNCLASSIFIED

ANALYSIS OF 1ST AMERICAN BANK

CHQ #	DATE	DEBITED/PAYEE	TYPE	AMOUNT OF DEBIT	AMOUNT OF DEPOSIT	BALANCE
659	05/05/66	SECUR ASSOCIATES	CONSULTING	6,000.00	13,000.00 (A)	
	05/07/66	DEPOSIT	DEPOSIT		38,700.00	
	05/09/66	DEPOSIT	DEPOSIT			
670	05/13/66	A. J. SECOR	LOW-INT STIC	30,000.00		
671	05/14/66	JANE L. GURIN	SALES	745.48		
672	05/14/66	SHIRLEY A. WINTER	SALES	792.98		
673	05/14/66	AMERICAN EMPRES	BILL	9,786.28		
674	05/14/66	AMERICAN EMPRES	BILL	1,000.00		
675	05/14/66	AMERICAN EMPRES	BILL	1,572.34		
676	05/14/66	1ST AMERICAN BANK OF VIRGINIA	INSTRUMENT	1,117.87		
677	05/14/66	DEPOSIT	FED RES DEPOSIT		3,500.24	
678	05/20/66	JANE L. GURIN	SALES	745.48		
679	05/20/66	SHIRLEY A. WINTER	SALES	792.98		
680	05/20/66	AMERICAN EMPRES	BILL	2,282.50		
681	05/20/66	SECUR ASSOCIATES	SALES	6,719.00		
682	05/20/66	SECUR ASSOCIATES	SALES	2,419.45		
683	05/20/66	PHILIP, MOORE, AND NEW	LEAS	4,848.50		
684	05/20/66	WESTBURY RESOURCES	RENT	1,975.00		
685	05/20/66	WESTBURY RESOURCES	RENT	1,571.25		
686	05/20/66	WESTBURY RESOURCES	RENT	1,571.25		
687	05/20/66	WESTBURY RESOURCES	RENT	1,571.25		
688	05/20/66	WESTBURY RESOURCES	RENT	1,571.25		
689	05/20/66	WESTBURY RESOURCES	RENT	1,571.25		
690	06/02/66	AMERICAN BANK OF VIRGINIA	DEPOSIT		70,482.90 (E)	
691	06/09/66	GLEN ARBONETTE	TELEPHONE	5,060.00		
692	06/09/66	C. & P. TELEPHONE	TELEPHONE	1,462.49		
693	06/11/66	AMERICAN EMPRES	BILL	10,227.64		
694	06/11/66	AMERICAN EMPRES	BILL	20,000.00		
695	06/11/66	AMERICAN EMPRES	BILL	1,129.50		
696	06/11/66	AMERICAN EMPRES	BILL	4,049.26		
697	06/15/66	JANE L. GURIN	SALES	774.87		
698	06/15/66	SHIRLEY A. WINTER	SALES	792.98		
699	06/15/66	AMERICAN EMPRES	BILL	4,222.52		
700	06/15/66	AMERICAN EMPRES	BILL	3,000.00		
701	06/21/66	SHIRLEY A. WINTER	SALES	792.98		
702	06/21/66	JANE L. GURIN	SALES	774.87		
703	06/21/66	JANE L. GURIN	SALES	2,282.50		
704	06/21/66	SECUR ASSOCIATES	SALES	6,000.00		
705	06/21/66	SECUR ASSOCIATES	SALES	2,868.50		
706	06/21/66	SECUR ASSOCIATES	SALES	925.00		
707	06/21/66	SECUR ASSOCIATES	SALES	7,763.64		
708	07/10/66	AMERICAN BANK OF VIRGINIA	DEPOSIT		20,481.87 (H)	
709	07/10/66	AMERICAN BANK OF VIRGINIA	DEPOSIT		50,000.00 (H)	
710	07/14/66	STANDARD TECHNOLOGY CORP.	INSTRUMENT	1,688.72		
711	07/14/66	AMERICAN EMPRES	BILL	4,335.17		
712	07/14/66	C. & P. TELEPHONE	TELEPHONE	1,960.49		
713	07/14/66	AMERICAN EMPRES	BILL	774.87		
714	07/14/66	AMERICAN EMPRES	BILL	5,000.00		
715	07/14/66	AMERICAN EMPRES	BILL	1,120.00		
716	07/14/66	AMERICAN EMPRES	BILL	792.98		
717	07/14/66	AMERICAN EMPRES	BILL	6,000.00		
718	07/14/66	AMERICAN EMPRES	BILL	1,565.45		
719	07/14/66	AMERICAN EMPRES	BILL	1,688.72		

Handwritten notes: "Handwritten notes" and "AMERICAN BANK OF VIRGINIA".

UNCLASSIFIED

LAW OFFICES

SHARP, GREEN & LANKFORD
800 MASSACHUSETTS AVENUE N.W.
WASHINGTON, D.C. 20036

Chapter 22, Footnote
SC 0468 53,5

22-169+170

JAMES E. SHARP
THOMAS C. GREEN
V. THOMAS LANKFORD, JR.
STEVEN M. JOHNSON
BARBARA S. JOHNSON
WARR M. KATZ
ROBERT L. VOGE

August 18, 1987

TELEPHONE
202 659-2400
TELETYPE
202 296-2400
FACSIMILE
202 697-4625

22-173+179

Arthur Liman, Esq.
Counsel to U.S. Senate Select
Committee on Secret
Military Assistance to Iran
and the Nicaraguan Oppos.
901 Hart Senate Office Bldg.
Washington, DC 20510

John W. Nields, Jr., Esq.
Counsel to U.S. House Select
Committee to Investigate
Covert Arms Transactions
with Iran
Room H419, United States Capitol
Washington, DC 20510

Gentlemen:

On behalf of Richard V. Secord, I am writing to correct certain aspects of his testimony given under oath at the last deposition session, at which both of you were in attendance. I am sorry that I can no longer supply the precise date of that session.

Mr. Secord was asked to acknowledge that he had been advised concerning a potential conflict of interest on the part of the undersigned arising out of the undersigned's refusal to answer inquiries from the Office of Independent Counsel about a specific incident which arose during the time the undersigned represented both Lieutenant Colonel Oliver North and Mr. Secord.

Mr. Secord replied that he had been independently advised concerning this matter, and he confirmed his insistence that the undersigned remain as his counsel. At the time of his answer, Mr. Secord had had conversations with other attorneys in my office concerning this matter, but, as I explained to Mr. Secord following the deposition session, those consultations could not be deemed to be with separate and unrelated counsel.

Since that time Mr. Secord did retain and did consult with separate and unrelated counsel to explore all the ramifications surrounding the potential conflict of interest issues. Since receiving this independent advice, his decision remains the same. However, I thought it prudent to write you and to clarify what I think may be some confusion in the

For: Declassified/Released on 1/22/88
under provisions of E.O. 12356
S. Reger, National Security Council

UNCLASSIFIED

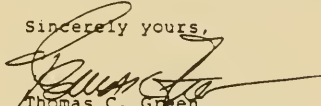
SHARP GREEN & LANKFORD

SC 04082

August 18, 1987
Page 2**UNCLASSIFIED**

record. Accordingly, I ask that you consider this letter as supplementation to, or correction of, Mr. Secord's previous testimony.

Sincerely yours,



Thomas C. Green
Attorney for Richard V. Secord

Seen and Agreed to:



Richard V. Secord

18 Aug 1987
Date

UNCLASSIFIED

UNCLASSIFIED

LAW OFFICES
 SHARP, GREEN & LANKFORD
 1800 MASSACHUSETTS AVENUE, N.W.
 WASHINGTON, D.C. 20036

SC 04005

JAMES E. SHARP
 THOMAS C. GREEN
 V. THOMAS LANKFORD, JR.
 STEVEN M. JOHNSON
 BARBARA STRAUGHN HARRIS
 MARK M. KATZ
 ROBERT L. VOGEL

August 20, 1987

TELEPHONE
 202/659-2400
 TELECOPIER 202/296-1249
 TELEX 697 4605 53500

MEMBER OF PA BAR ONLY
 MEMBER OF NY & NJ BAR ONLY

HAND DELIVERED

<p>The Honorable Lee H. Hamilton Permanent Select Committee on International Affairs U.S. House of Representatives United States Capitol Room H405 Washington, DC 20515</p>	<p>The Honorable Daniel K. Inouye Chairman, U.S. Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition 901 Hart Senate Office Building Washington, DC 20515</p>
---	---

Gentlemen:

On behalf of Richard V. Secord, I am writing to correct and comment on certain testimony taken before the Select Committees and to respond to certain statements made by various members of the Committees which misrepresent the facts and portray my client and his conduct in a false and underserved light. In view of the effort undertaken by various members of the Committees to discredit General Secord and the attempts to impeach portions of his testimony, we feel it fair and appropriate that this letter and the accompanying exhibits be made a part of the official record of investigation; and we formally request such relief.

General Secord was the first witness called to give public testimony. His appearance before the Committees followed countless hours of debriefing during which he patiently and with great accuracy recited the facts and

Partially Declassified/Released on 4/22/88
 under provisions of E.O. 12356
 by: National Security Council

UNCLASSIFIED874
82-684

UNCLASSIFIED

SC 0400-

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987.
Page 2

circumstances surrounding the operational details of the Contra supply operation and the Iranian initiative. It is only fair for the Committees to acknowledge that the information provided by General Secord was of critical importance and of invaluable assistance to the progress of the investigation. It should also be noted that General Secord ultimately succumbed to the entreaties of both Chief Counsel who largely induced his voluntary testimony by appeals to General Secord's sense of duty, service and responsibility to his country and the Congress.

General Secord was prepared for tough questions and tough criticism. But in light of the way his testimony was procured, we were not prepared for unfair criticism or for the technique employed by some interrogators of using false information to prompt derogatory comments about General Secord from other witnesses. When, from time to time, we contacted the staff to tender correct information and corroborating data we were usually thanked, but never vindicated. All the misinformation has been permitted to linger, and the record requires and deserves correction.

Several Senators were effusive in their use of the term "profiteer" when making reference to General Secord. We start from the rather basic proposition that every man is entitled to make a living. General Secord devoted two years to the Iran/Contra projects at the expense of virtually all other

UNCLASSIFIED

SHARP, GREEN & LANKFORD

UNCLASSIFIED

SC 0400

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987.
Page 3

business pursuits. During that time he received a salary of \$6000 per month. The amount is hardly excessive.

Albert Hakim acknowledged in his testimony on June 3, 1987, that he accumulated profits from arms sales for the benefit of General Secord in an account known as Korel Assets even though General Secord forswore any such remuneration. None of the accumulated profits were ever distributed to General Secord, a fact confirmed by House Counsel, Mr. Nields, when he stated publicly on June 3rd that:

I think the record should reflect that unlike some of these other accounts, we have been able to determine no withdrawals from the Korel Assets account as of this date.

A great deal of time and attention was devoted by members of the Committees in examining the profit earned on arms transactions. The frenzy to portray these sales as generating exorbitant profit came close to overshadowing what should have been the more important issues. General Secord testified that the gross profit on arms sales ranged from between 20 percent to 30 percent. That markup was and is extremely reasonable, and the merchandise delivered was unquestionably of high quality. When General Singlaub appeared some members again attempted to use his testimony to criticize General Secord's efforts through a supposed comparison of the prices charged by each. The comparison was nonsense and the equivalent of an apple and orange exercise. We demonstrated

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987.
Page 4

90 0400
UNCLASSIFIED

all of this in a letter I wrote to the Committees on May 26, 1987. A copy of my letter is attached hereto for your convenience. Additionally, we supplied the staff with an "Arms Sales Profit Analysis" memo which was nothing more than an exercise in basic arithmetic confirming the profit margins testified to. A copy of this document is also attached. It is our belief that the staff has now been able to confirm the basic accuracy of our figures. Finally, I note the testimony of General Secord's customer, Mr. Calero, who acknowledged in his testimony on May 20, 1987, that General Secord's prices for ammunition and FAL type rifles were extremely reasonable and about 50 percent less than what this government was charging the witness for the same items.

Although General Secord never withdrew money from his so-called profit account and although he attempted no movement or secreting of funds during the days when these operations were on the brink of public disclosure, the notion was born and nurtured by several members of the Committees that the residual funds were accumulated and preserved principally because of devious profit motives, all of which worked to the unfortunate detriment of the Contras. This is a pernicious and particularly offensive allegation.

Funds were on hand when these transactions terminated simply because the ongoing operations were aborted. General Secord was saddled with the responsibility to preserve and

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987,
Page 5

UNCLASSIFIED

SC 04067

allocate funds in response to a number of real and anticipated needs. This required a continuing assessment of priorities and the need to reserve against contingencies known and unknown. General Secord delivered to the Committees long ago most of his original, contemporaneous worksheets which reflect his decisional process. None of this material was contrived, and no one has been silly enough to suggest otherwise. Even a cursory review of this material will demonstrate that General Secord intended that the residual funds were to be devoted to operations.

Rather than burden this letter with a detailed summary of General Secord's testimony, I have included an extrapolation from the documents he provided, which is essentially a series of "snapshots" which capture the process of allocation over time in 1986.

FUNDS AVAILABLE AND ANTICIPATED DISBURSEMENTS

- A. Early February, 1986 -- \$87,000 available. Several million dollars required to carry through with the Central American airlift project.

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987.
Page 6

UNCLASSIFIED

SC 0400

- B. Early March, 1986 -- \$6 million available. \$2-4 million required for aircraft hull self-insurance per Israeli demand.*
- C. Estimated disbursements for March and April, 1986, included the following:

Israeli Air Force	\$ 150,000
Costa Rica Air Strip	
Project (Contra)	150,000
Defex (Contra)	2,360,000
Aircraft Procurement (Contra)	1,000,000
Salaries (Contra)	50,000
Contra Medical Expenses	50,000
Initial Blowpipe	
Procurement (Contra)	200,000
Fenced Insurance	
Fund (Contra)	<u>200,000</u>
	\$4,160,000**

* We are confident that the Israelis will confirm this requirement.

** Does not include what by this time is a \$4 million hull insurance fund.

UNCLASSIFIED

SHARP, GREEN & LANKFORD

UNCLASSIFIED

SC 04007

The Honorable Lee H. Hamilton and
 Daniel K. Inouye
 August 20, 1987,
 Page 7

D. April 1, 1986 -- \$5 million available. Estimated
 disbursements for April, May and June, 1986,
 included:

Aircraft Operations and	
Maintenance (Contra)	\$ 650,000
Israeli Air Force	150,000
Communications Procurement	
(Contra)	100,000
Initial Blowpipe Procurement	
(Contra)	350,000
Medical Supplies and Local	
Operations at [REDACTED]	
(Contra)	45,000
Southern Air Transport	
(Contra)	120,000
Salaries (Contra)	72,000
Defex (Contra) ..	2,200,000
Israeli TOW's	<u>822,000</u>
	\$4,509,000*

* Does not include what by this time is a \$4 million hull insurance fund.

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
 Daniel K. Inouye
 August 20, 1987
 Page 8

UNCLASSIFIED

90 040

E. End April -- \$4 million available. \$4 million needed for hull insurance reserve. Estimated disbursements through June included:

Defex (Contra)	\$ 280,000
Aircraft Operations and Maintenance (Contra)	650,000
Three British Air Crewmen (Contra)	110,000
Blowpipe Procurement (Contra)	1,000,000
Salaries (Contra)	72,000
Israeli TOW's	822,000
Costa Rica Air Field (Contra)	60,000
SAT (Contra)	55,000
Insurance Fund Fenced (Contra)	200,000
C123 Spare Parts (Contra)	200,000
Israeli Air Force	<u>185,000</u>
	\$3,634,000*

* Does not include what by this time is a \$4 million hull insurance fund.

UNCLASSIFIED

UNCLASSIFIED

SC 0402

SHARR, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987
Page 9

F. Early June, 1986 -- Hull insurance requirement still in effect. \$13 million available. Estimated disbursements through July, 1986, included:

Refund demanded by

Ghorbanifar \$15,000,000

Airlift Operations and

Maintenance through

July (Contra) 500,000

Salaries through July (Contra) 90,000

Israeli Air Force 240,000

Costa Rica Airfield Completion 100,000

Shipload of Munitions (Contra -

for delivery in August 3,300,000

Insurance Fund Fenced (Contra) 200,000

Aircraft Procurement

(Contra) 500,000

\$19,930,000*

G. July 1, 1986 -- \$12 million available. \$2 million still needed for hull insurance. Ghorbanifar claims

*Does not include what by this time is a \$4 million hull insurance fund.

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987.
Page 10

UNCLASSIFIED

SC 0407

\$10 million owed to him. Estimated disbursements
through August, 1986, included:

Refund demanded by

Ghorbanifar \$10,000,000

Airlift Operation and

Maintenance, July and

August (Contra) 500,000

Salaries, July and August

(Contra) 90,000

Insurance Fund Fenced (Contra) 200,000

Secure Communications

Equipment (Iran) 120,000

Ship, Erria, Operations

(Contra) 150,000

Shipload Munitions (Contra) 2,200,000

\$13,260,000*

H. Early August, 1986 -- \$9 million available.
Ghorbanifar still claims \$10 million owed to him and
threatens to expose the operation unless paid.

* Does not include what by this time is a \$2 million
hull insurance fund.

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
 Daniel K. Inouye
 August 20, 1987
 Page 11

SC 04021
UNCLASSIFIED

Estimated disbursements through September, 1986,
 included:

Refund to Ghorbanifar	\$10,000,000
Airlift Operations and Maintenance, August and September (Contra)	400,000
Salaries, August and September (Contra)	90,000
Shipping, Erria, Expenses (Contra)	90,000
Insurance Fund Fenced (Contra)	<u>200,000</u>
	\$10,780,000*

Although at the time these operations were disclosed in November, 1986, approximately \$8 million was available, Ghorbanifar still continued to press his claim. During this period General Secord contemplated the purchase of a '07 aircraft and spare parts in connection with implementing the

* Does not include what by this time is a \$4 million hull insurance fund.

UNCLASSIFIED

SHARP, GREEN & LANKFORD

UNCLASSIFIED

SC 04003

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987
Page 12

second channel (\$2-2.5 million), and roughly a million dollars were owed or obligated on account of the following:

Danish ship agent (\$300,000+); Southern Air Transport (\$100,000); death benefits (\$200,000); Swiss Air charter (\$50,000); [REDACTED] bills (\$100,000); Costa Rica real estate bill (\$100,000+) and \$100,000 miscellaneous (including continued funding for the ship Erria).

Planning for the establishment and funding of a permanent European joint venture company to support U.S./Iranian commercial transactions over a several-year period (until such time as the two governments could deal directly with one another) was terminated when these operations were exposed. Israel had concurred in this venture, and it was contemplated that Iran would donate \$20-40 million to the new venture to make it viable. This would include sufficient funds to "forward finance" procurements from the U.S. and from Europe after agreement by U.S. and Iranian government officials as envisioned in the nine-point plan.

The allocation exercise periodically undertaken by General Secord was admittedly based on estimates, but it is against this background of competing claims and demands that he made his decisions to fund the Contras at whatever level circumstances would permit. Ghorbanifar's claims were serious,

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987,
Page 13

UNCLASSIFIED

and they presented a credible threat to the continuation of operations (although not in General Secord's view in any meaningful legal sense). Contrary to the picture painted at times at the hearings that abundant excess money was available to fund the Contras, funds were expended to support their operations almost always with consequent risk to the continuation of the Iranian operation and to General Secord personally. Had the Contra airlift project not been deemed so vital by General Secord, it might have been suspended or stopped any number of times as a result of other funding requirements.

In the final analysis over \$4 million from the Iranian operation was expended for the benefit of the Contras as a result of General Secord's juggling of his priorities. In view of the fact that General Secord devoted two years of around-the-clock effort to making these projects work, we think it hardly fair to engage in an after-the-fact review of his priority decisions. He was after all, despite contentions to the contrary, acting in furtherance of the policies of this government and with its blessing.

There are a couple of other "money" issues which have been exaggerated to grotesque proportions. In October, 1985, well before the Iran initiative began, General Secord purchased a 1973 Seneca airplane for the approximate sum of \$35,000. The money used to buy the aircraft came from a consulting fee and

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987.
Page 14

SC 0407
UNCLASSIFIED

was reported as income on General Secord's 1985 tax return. In 1986 General Secord purchased a Porsche automobile for \$31,000. (Porsche never got so much free publicity). General Secord insists that the money to buy the car was borrowed from Albert Hakim, consistent with a pattern of loans made to him in accordance with a 1983 business agreement, which includes yet another loan of \$32,000 for legal fees made by Hakim in February of this year.

We, of course, are not familiar with the personal purchases of members of Congress. It would be interesting (perhaps) to know all about them. But what is so unwholesome or sinister (or of national importance) about buying a Porsche and a 15 year old airplane, and if you insist on linking these acquisitions to the Iran/Contra projects: "where's the beef?" If you add up every dime that found its way to General Secord's pockets which is in any way arguably related to the Iran/Contra projects (even without regard to what it represents), you never get above \$225,000.00. That is hardly an extraordinary sum for two years of work, and it is clearly unworthy of the exploitation attempted by some members of the Committees.

Certain members of the Committees chose (we think deliberately) to ignore confirmed facts in an effort to embarrass General Secord and serve their personal, political agenda. For example, General Secord was accused of using donated funds to purchase Maule aircraft for himself, a

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987.
Page 15

UNCLASSIFIED

supposed fact which astonished several of the donors during their public testimony and which was presumably designed to elicit similar emotions from the listening audience. The truth is simply that all Maule aircraft were transferred to the Contras; the Committees know that and knew it at the time this charade was played out in public.

Toying with the facts is unbecoming during a congressional investigation, yet it occurred frequently. In interrogating another witness, a Senator asserted that General Secord and Albert Hakim were the owners of East Inc., a company which contracted to provide operations and maintenance services in Central America. The claim is false. Even worse was the Senator's use and manipulation of documents to make it appear that General Secord was charging excessive profits on aircrew salaries. The facts are that the documents used by the Senator did not relate to aircrew salaries and, even more significantly, the documents were not records of any company owned or controlled by General Secord. The language used by the Senator to make his point was downright ugly, and the whole episode was outrageous.

Other members attempted to dance on General Secord's back by asserting that he had no security clearance. Again, the truth is that General Secord held the highest level DOD security clearance until January of 1987. When Felix Rodriguez was called to testify, he was fed a series of leading questions

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987.
Page 16

(in reality the answers) in an attempt to taint General Secord with the sins of convicted felon Edwin Wilson. Although Rodriguez denied any association with Wilson, it is he, not General Secord, who worked with and for Wilson over an extended period of time. Moreover, when Rodriguez was prompted to criticize the military supplies furnished by General Secord to the Contras, someone was kind enough to expose the fact that Rodriguez's hearsay was based on information from Mario Del Amico, a competitor in the arms supply business.

The attempt by certain members to seize opportunities to link General Secord to Edwin Wilson evolved rather quickly into blatant character assassination. General Secord did know Edwin Wilson long before the time Wilson's legal problems arose. Allegations first raised in 1982 that General Secord (and others) might have been involved in business transactions with Wilson were exhaustively investigated by the Department of Justice for over two years. The investigation of General Secord was ultimately terminated and formally closed for lack of any evidence -- a fact never mentioned by any member during the hearings.

General Secord and his colleagues were also criticized for departing from or misrepresenting United States foreign policy. This claim is absolutely baseless. His dialogue with the Iranians tracked established policy and was based on approved proposals. As the tapes would demonstrate,

UNCLASSIFIED**UNCLASSIFIED**

SC 0407

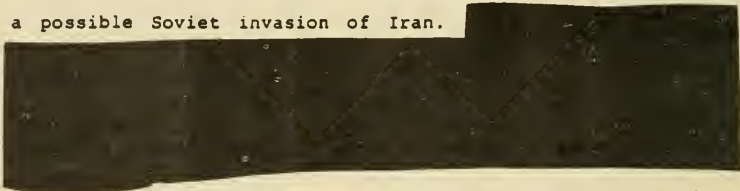
SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
 Daniel K. Inouye
 August 20, 1987
 Page 17

UNCLASSIFIED

SC 04001

General Secord never committed the United States to fighting the Russians in defense of Iran. General Secord knew about, and was qualified to explain, United States policy in regard to a possible Soviet invasion of Iran.



Although other portions of the record are deserving of comment, it is impossible to examine each and every distortion or inaccuracy in a letter such as this. What is important to emphasize is that General Secord was made to pay a very high price for voluntarily coming forward, without immunity, to assist the Congress in its investigation, and, for sure, he is not inclined to answer the phone if his government calls again.

Certain of the immunized witnesses were actually praised for their courage to testify, in contrast to General Secord, whose reputation and integrity were attacked for obvious, partisan purposes. Although this entire experience has been more than slightly bitter for General Secord, he remains confident that he acted appropriately and honestly in the service of his country.

Whether by its treatment of General Secord the Congress has hampered its ability to entice and receive

UNCLASSIFIED

SHARR, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987
Page 18

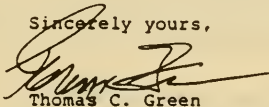
UNCLASSIFIED

SC 04100

voluntary testimony from important witnesses is a separate question. Certainly the treatment accorded General Secord could not have been designed to enhance the image of Congress as an impartial and fair investigator.

On behalf of Richard V. Secord, I respectfully request that this letter be entered in the official record of the Committees' investigation.

Sincerely yours,



Thomas C. Green

TCG:jme

attachments

UNCLASSIFIED

UNCLASSIFIED

LAW OFFICES
 SHARP GREEN & LANKFORD
 800 MASSACHUSETTS AVENUE N.W.
 WASHINGTON D.C. 20036

SC 0410

LAWYER: C. SHARP
 THOMAS L. GREEN
 THOMAS LANKFORD JR.
 STEVEN M. JOHNSON
 BARBARA STEINLEIGH HARRIS
 WASHINGTON OFFICE
 800 MASSACHUSETTS AVENUE, N.W.

May 26, 1987

TELEPHONE
 770-465-1200
 TELETYPE UNIT
 770-465-1200

MEMBER OF BARBERSHOP
 MEMBER OF N.Y. BAR

John W. Nields, Jr. Esq.
 Counsel to U.S. House Select
 Committee to Investigate Covert
 Arms Transactions with Iran
 Room H419
 United States Capitol
 Washington, DC

4749
 Declassified/Released on 4/22/82
 under provisions of E.O. 12958
 of 2. Regier, National Security Council

Dear Messrs. Liman and Nields:

I am writing to clear up some confusion which has arisen with respect to the purchase of certain assets for the benefit of the Contras. Three Maule aircraft were transferred to the Contras in 1985 at the direction of Mr. Secord. The first aircraft, tail number N5657H, was titled to NRAF, Inc., 52 Y el Vira Mendez, Panama, RP, in approximately July or August of 1985. This aircraft was previously owned by Mr. Secord and several colleagues. The Contras purchased the aircraft by wire transferring an amount equivalent to the outstanding indebtedness on the plane.

Maule aircraft tail numbers N5661I and N5661J were titled in the name of NRAF, Inc. on September 10, 1985, and on October 29, 1985, respectively. These aircraft were bought at cost from Maule Air, Inc. All three of these aircraft are owned exclusively by the Contras. Mr. Secord has no interest, direct or indirect, in any of these planes.

During the interrogation of General Singlaub, he was led to confirm that he could have bought twice the quantity of munitions at the prices charged by Mr. Secord. This conclusion is absolutely without merit. Only four items were purchased by both General Singlaub and Mr. Secord.

General Singlaub sold 10,000 AR-47's, folding stock model, at \$135.00 per rifle. Mr. Secord sold 3,000 AR-47's, wooden stock model, at \$217.00 per rifle. The wooden stock rifles were purchased for a cost of approximately \$185.00 per rifle, and they were sold at a 20% mark up to the Contras.

General Singlaub sold 15,000,000 rounds of 7.62 x 39 at a price of \$110.00 per thousand. Mr. Secord sold 7,500,000 rounds at an average price of \$136.00 per thousand. Including mark up, Mr. Secord's price equates to 2.5% per round or one-half the quantity.

SHARP GREEN & LANKFORD

SHARP GREEN & LANFORD

UNCLASSIFIED

SC 04102

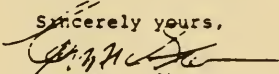
General Singlaub sold 200 RPG-7's at \$1,650.00 per launcher. Mr. Secord sold 80 RPG-7's at \$1900.00 per launcher. Mr. Secord's price was 15% higher than General Singlaub's price on less than one-half the size of Singlaub's order.

General Singlaub sold 5,000 RPG-7 rounds at \$185.00 per round. Mr. Secord sold 3,000 such rounds at \$225.00 per round. This presents a 21.6% mark up over General Singlaub's price on little more than half the quantity supplied by General Singlaub.

General Singlaub shipped 348 tons of material and charged the Contras approximately \$300,000.00 for shipping. Mr. Secord shipped over 600 tons and charged the Contras \$150,000.00 for shipping.

If Mr. Secord had dealt in quantities comparable to those purchased by General Singlaub, the resulting price differential would have been de minimus, which means, in effect, that Mr. Secord was buying at substantially better prices.

Sincerely yours,


Thomas C. Green
Attorney for
Richard V. Secord

TCG:ddd

UNCLASSIFIED

UNCLASSIFIED

SC 04103

ARMS SALES PROFIT ANALYSIS

PREPARED BY RICHARD V. SECORD

1985-1986

Phase I (Airlift February 1985; Sealift April 1985)

Sell \$2,346,175

Costs 1,634,901

Profit 711,274 or 30.3% gross (43.5% of cost)

Phase II (Airlift March 1985)

Sell \$1,235,596

Costs 924,756

Profit 310,840 or 25.1% gross (33.6% of cost)

Phase III (Sealift June 1985)

Sell \$6,407,512

Costs 5,190,512

Profit 1,217,000 or 18.99% gross (23.45% of cost)

Phase IV (Airlift November 1985)

Sell \$2,255,200

Costs 2,003,200

Profit 252,000 or 11% gross (12.78% of cost)

UNCLASSIFIED

UNCLASSIFIED

Phase V (Airlift March 1986)

Sell \$504,140

Costs 354,140

Profit 150,000 or 29.7% gross (42.3% of cost)

Phase VI (Airlift April 1986)

Sell \$441,640

Costs 353,337

Profit 88,303 or 19.99% gross (25% of cost)

Phase VII (2 airlifts May 1986)

Sell \$938,635

Costs 637,467

Profit 301,168 or 32% gross (47.2% of cost)

GRAND TOTALS

Sell \$14,128,898

Costs 11,101,313

Profit 3,027,585 or 21% gross (27.3% of cost)

Note: ~~Sealift~~ July/August 1986 aborted

Costs about \$2,400,000

Sold CIA 1,500,000

Returned to Enterprise - 1,200,000 (300,000 brokers
fee to DEFEX)

UNCLASSIFIED

UNCLASSIFIED

- 3 -

SC 04106

TOTALS OF TRANSACTIONS PRICED EXCLUSIVELY BY SECORD

Sell. \$11,782,723

Costs 9,466,412

Profit 2,316,311 or 19.65% gross (24.5% of cost)

UNCLASSIFIED

CLASSIFIED AT TIME OF PUBLICATION.

22-186

CLASSIFIED AT TIME OF PUBLICATION.

22-195

CLASSIFIED AT TIME OF PUBLICATION.

22-196

CLASSIFIED AT TIME OF PUBLICATION.

FROM 01 01 86 TO 31 12 86

Footnotes
197, 201

CSF INVESTMENTS LTD.
MAILING ADDRESS: BERMUDA

1771

NAME & DESCRIPTION
TRANSLIT ACCOUNT (SUITE)
***** CAPITAL
US\$

DEBIT
H 02959

CREDIT

BALANCE

NO	DESCRIPTION	AMOUNT	CREDIT	BALANCE
1	BROUGHT FORWARD	5 133.00+	64 379.12	64 379.12-
2	TRANSFER	101001		
3	1 CHQ R. QUINTERO	5014 5600001	54 379.12	0.00
4	1 REVERSAL	5014 5600001	5 000.00	
5	1 CHQ K. PHILLIPS	5043 5600001		2.35-
6	1 PMI HOTEL INTERCONT.	5048 5600001	5 000.00	
7	1 CHQ R. QUINTERO + BC	5097 5600001	457.24	4 453.89
8	1 REVERSAL	5097 5600001	4 003.49	
9	2 TRANSFER FROM LAKE RES.	5217 5600001	4 003.49	4 453.89
10	2 TRANSFER	100 000.00	100 000.00	95 546.11-
11	2 CHQ K. PHILLIPS + BC	5380 5600001	2 003.71	93 542.40-
12	2 CASH WITHDRAWAL	5262 5600001	30 000.00	63 542.40-
13	2 PMI INV. INTERCONTINENTAL	5325 5600001	2 551.20	60 991.20-
14	4 PMI INV. HOTEL INTERCONTINENTAL	6025 5600001	2 034.60+	59 956.60-
15	4 CHQ IO. SITIGI + CHARGES	2080 5600001	58 802.50	1 151.86-
16	4 NEW FUNDS	6085 5600001	16 000.00	1 151.86-
17	4 CHQ K. PHILLIPS + BC	6104 5600001	2 003.87	15 147.99-
18	5 NEW FUNDS	6189 5600001	8 833.00	23 980.99-
19	5 JR. FROM HYDE PARK	6210 5600001	100 000.00	123 980.99-
20	6 NEW FUNDS	6269 5600001	26 320.00	150 370.99-
21	6 SBT TEL. CALL	6253 5600001	112.00+	
22	6 CHQ K. PHILLIPS + BC	6276 5600001	59.25	150 311.74-
23	6 PMI HOTEL INTERCONTINENTAL	6312 5600001	2 003.76	148 307.98-
24	6 JR. FROM DEFEX	6422 5600001	1 506.41	146 801.57-
25	6 CHQ K. PHILLIPS + BC	6409 5600001	2 003.93	150 529.37-
26	7 PMI INV. 1323	7075 5600001	2 150.00	148 525.64-
27	8 CHQ K. PHILLIPS	7228 5600001	4 000.00	146 375.64-
28	2 TRANSFER FM U.B.S. FRIBOURG	7286 5600001	86 133.00	142 375.64-
29	9 CHQ K. PHILLIPS	7307 5600001	2 000.00	226 508.64-
30	9 TRANSFER FAV. STANFORD TECH.	7418 5600001	15 000.00	211 508.64-
31	10 CHQ TO KEITH E. PHILLIPS	8002 5600001	2 000.00	209 508.64-

Handwritten signature and notes at the bottom of the table.

UNCLASSIFIED

UNCLASSIFIED

ALLT

CSF INVESTMENTS LTD.
MARILYN LERUMDA

002 SCITECH TRADING GROUP, INC. FROM 01 01 86 TO 31 12 86
LEDGER

AC	NAME & DESCRIPTION	DOC NO	CONTRA	H	02960	DEBIT	CREDIT	BALANCE
10001	CAPITAL CONTRIBUTIONS/WITHDRAWAL (SUITE)							
10	PMT INV OF INTERCONTINENTAL HOTEL	8054	5600001	1	841 30+	1 138 36		208 370 28-
11	CHQ KEITH E. PHILLIPS	3113	5600001			2 000 00		206 370 28-
11	REDEMPTION PAYMENT MADE BY SERFID	3120	5600001			130 319 31		75 050 37-
11	PMT INV FM HOTEL INTERCONTINENTAL	3154	5600001	1	243 90+	727 75		75 323 22-
12	CHQ 391 INTERCONTINENTAL HOTEL	3377	5600001	2	539 05+	16 199 44		59 123 78-

TRANSACTION BALANCE 45 473 05+ 754 845 19 413 253 97 59 123 78-

1001	CAPITAL INVESTED	US\$
1	BROUGHT FORWARD	38 000 00
2	TRANSFER	64 878 13
3	MGT FEES 4TH QUARTER 1935	130 46
3	MGT FEES 1ST QUARTER 1986	338 83
7	MGT FEES 2ND QUARTER 1986	538 35
8	7 1250 CALL CREDIT LYONNAIS	
ADJ.		0 00
9	US\$/HK\$ AT 7 8035	17 356 38
10	MGT FEES 3RD QUARTER 1986	740 65
12	HK\$/US\$ AT 7 801	163 089 01-
12	MGT FEES 4TH QUARTER 86	649 04

TRANSACTION BALANCE 1- 163 089 01- 19 753 71 123 784 29 104 030 58-

1017	CAPITAL INVESTED	HK\$
9	US\$/HK\$ AT 7 8035	7364 5600017
12	HK\$/US\$ AT 7 801	8418 5600017
		20 906 16+
		163 089 01

TRANSACTION BALANCE 20 906 16+ 163 089 01 135 440 50 27 648 51

UNCLASSIFIED

11/21/11

22-201

CLASSIFIED AT TIME OF PUBLICATION.

Footnote c 2021

H1520 A

(SECRET)

22-202

COMPAGNIE DE SERVICES
FIDUCIAIRES SA

REFERENCE
FIRST PENN BANKING & TR CO

ATT MR ROBERT DEVAULT ACC FURWAY INDUS. 073 625 6 0/0 A CLIENT

DESCRIPTION FED WIRE
606304699

UNCLASSIFIED

UNCLASSIFIED

Republic National Bank of New York 10/24/66

ACCOUNT NUMBER	DEBIT	\$106,000.00
COMPAGNIE DE SERVICES FIDUCIAIRES SA	VALUE DATE	10/24/66
	RMB REFERENCE	6AUSON80010
	CUST REFERENCE	
	SEND REFERENCE	10/24/66-0680010

REFERENCE
KALINER NATIONAL BANK

106-TR GRAYS HARBOR BLVD ABERDEEN, WASH. 981-GRAYS HARBOR TITLE C
N. TRUST ACCT 125 000 037 005 D77 260 R HRT-QUINAULT RESERVATIO
N TIMBER/SKI CORP INS-COMPAGNIE DE SERVICES FIDUCIAIRES SA

DESCRIPTION FED WIRE

Released in 12/20/88
Partially Declassified under provisions of E.O. 12958
by B. 2009 National Security Council

H 1520 B

11/05/86

Republic National Bank of New York

ACCOUNT NUMBER [REDACTED] CREDIT \$130,319.31 ✓

COMPAGNIE DE SERVICES FIDUCIAIRES SA

VALUE DATE 11/05/86
RND REFERENCE 6H55039006C
CUST REFERENCE
SEND REFERENCE 11/05/86-039006C

REFERENCE

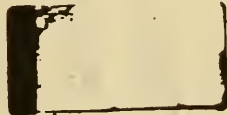
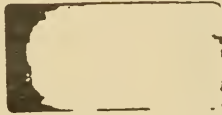
C S F INVESTMENTS LTD

DESCRIPTION INTERNAL TRANSFER

UNCLASSIFIED

HCLH

UNCLASSIFIED



8/2/88

4775

H 15202

Republic National Bank of New York

10/20/66

ACCOUNT NUMBER

DEBIT

930,299.31

COMPAGNIE DE SERVICES FIDUCIAIRES SA

VALUE DATE 10/20/66

RMD REFERENCE 6ASS0340030

CUST REFERENCE

SEND REFERENCE 10/20/66-0340030

REFERENCE

RAINIER NATIONAL BANK

BRK-YR 2ND & SPRING BR ONF-HARRIS MERICLE & ONR TRUST A/C 1810114
612 001-U/C/A INS-COMPAGNIE DE SERVICES FIDUCIAIRES SA

DESCRIPTION FED WIRE



UNCLASSIFIED

Republic National Bank of New York

10/20/66

ACCOUNT NUMBER

DEBIT

91,200.00

COMPAGNIE DE SERVICES FIDUCIAIRES SA

VALUE DATE 10/20/66

RMD REFERENCE 6ASS1110040

CUST REFERENCE

SEND REFERENCE 10/20/66-1110040

REFERENCE

BANK OF NEW YORK

SM DBK-YR 40 WALL ST TRUST DEPT ONF-TRUSSTEE U/A 4/6/60 FOR M. ME
RCEDES U'DUNNELL 434391 001-ATT MR G VETMANG

DESCRIPTION CHIPS

NOV 21 11



DOCUMENT UNAVAILABLE.

Chapter 22, Footnote 221

22-221

CLASSIFIED

3 Aug 86 0 2316

0830



1 copy in no release
 under provisions of E.O.
 12958, Reg. 1.101(a)(2)

[Handwritten signature]
 1/22/87

4776

- 1200 - Call from Adnan (car phone)
- ... to Tehran ...
- ...
- ...
- ...
- Adnan released ...

Chapter 22
Footnote 236

22-236

UNCLASSIFIED
SECRET

NATIONAL SECURITY COUNCIL
WASHINGTON DC 20508

SYSTEM ID N 10288
90443

SECRET

ACTION

June 4, 1986

MEMORANDUM FOR RODNEY B. MC DANIEL

FROM: FAIMOND F. BURCHARDT

SUBJECT: Minutes of the May 16, 1986 National Security
Planning Group Meeting

Attached are the minutes of the National Security Planning Group meeting on May 16, 1986.

RECOMMENDATION

That the attached minutes be filed.

Approve _____ Disapprove _____

cc: Minutes of the NSPG Meeting

Cover sheet only 4/22/88

4777

117

UNCLASSIFIED

THE WHITE HOUSE
WASHINGTON

Chapter 237
SYSTEM II
9036E

N 6263

SECRET

ACTION

*Ray
has indicated the
River*

22-237

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN M. POINDEXTER

SUBJECT: Next Steps re Aid to the Nicaraguan Democratic Resistance Forces (DRF)

Issue

How should we proceed in our effort to obtain effective assistance to the Nicaraguan Democratic Resistance Forces (DRF)?

Background

Last month's rejection of our aid proposal by the House of Representatives has dealt a severe blow to the DRF. As of May 1, all humanitarian assistance funds have been expended and no further food, medicine, or clothing is available. By mid-June, the outside support which the resistance has received will be fully depleted and no further significant support appears readily available. As time goes on without any USG or outside assistance, the capabilities and morale of the resistance will be seriously debilitated. Despite our assurances to the Central American democracies, we still do not have a clear legislative path that will assure a positive vote in the next few weeks. This factor is also likely to influence Central American thinking on the Contadora accord.

Our legislative experts advise that our only near-term legislative vehicle is the military construction bill which is pending Committee action in the House. We are advised that Speaker O'Neill will accept DRF aid amendments to this bill during the week of June 9. Even if such a vehicle passes in the House, we stand a good chance of filibuster in the Senate and the likelihood that no aid would be available until August or September 1986.

Discussion

Given the urgency of the situation, our interagency team has recommended that this issue be addressed at the NSPG meeting on Friday, May 16. The group further recommends that we consider an immediate reprogramming of \$15M from Defense (CIA) for humanitarian

SECRET
Declassify: OADR

UNCLASSIFIED

4778
BRD FBI
12-12-86
multa

(copy - 2200 - 1/23/86)

~~UNCLASSIFIED~~

N 6264

~~SECRET~~

assistance to the DRF. ~~Since our~~ ^{the former Service Commission} opponents supported the earlier humanitarian aid and ~~reprogramming~~ ^{of demand and} reprogramming requires action by only the ~~intelligence~~ intelligence committees there is a reasonable likelihood of success. We can make a good case that this humanitarian assistance ~~(\$5M~~ ^{(\$5M} per month through August 1986) is essential to maintain ~~the~~ option of DRF pressure in order to improve prospects for a verifiable and enforceable Contadora agreement. Those who counsel delay on any DRF ~~aid~~ ^{aid} until after the Contadora process has "played out" can be ~~convicted~~ by the argument that a ceasefire under Contadora still requires the DRF to survive while "national reconciliation negotiations" are underway.

Finally, State, Defense, and CIA agree that a reworked Presidential Message to the Congress is important to the overall long-term success we hope to achieve. Between now and Friday, the draft of the Message you reviewed on the Summit trip will be reworked to include stronger language on the consequences of ~~delay~~ ^{delay}. ^{DRF to co-} ~~delay~~. We do not believe that your Message should reference the reprogramming action specifically, but all concur that we must hold the Congress accountability for a failure to act. State, Defense, and CIA ~~agree~~ that the summary at Tab A embodies the elements of what we must provide in authorities and resources for an effective program of support to the DRF.

Recommendation

<u>OK</u>	<u>No</u>
_____	_____

1. That you review the attached Section-by-Section Summary (Tab A) prior to the NSPG meeting on Friday, May 16.

Prepared by:
Oliver North
Ray Burghardt

Attachment

Tab A - Section-by-Section Summary

~~SECRET~~

~~UNCLASSIFIED~~

NOT included

accountable

CHAPTER 23. OTHER PRIVATELY FUNDED COVERT OPERATIONS

CLASSIFIED AT TIME OF PUBLICATION.

DOCUMENT UNAVAILABLE.

DOCUMENT UNAVAILABLE.

23-12

CLASSIFIED AT TIME OF PUBLICATION.

23-14

CLASSIFIED AT TIME OF PUBLICATION.

23-15

CLASSIFIED AT TIME OF PUBLICATION.

Chapter

23-16-18

16-18

11 Dec UNCLASSIFIED

Dec. w/ A.C.

0 1668



Partially Declassified
Under Executive Order 13526
by R. A. [redacted] National Security Council

12 Dec 85

Call from Col. [redacted]

- Hickey Prob. - Independent Action

HCTF - ORGANIZATION

- TEO [redacted] Fund [redacted] - [redacted] contact
- [redacted] put [redacted] operation into [redacted]
- [redacted] not very sophisticated w/ [redacted]
- [redacted] "ABE" (Lidars) went to HCTF
asked for ERK to get & delivered
to [redacted] #12 - G. release (C.O.E.)

UNCLASSIFIED

4699

12 Mar UNCLASSIFIED

Q 1669

Cl. Confidential (cont'd)

- \$50K payoff for arrangements for \$1M
- payoff
- Acc'ts will be delivered
- Fundamental decision: Do we pay ransom?
- concerned that [redacted] was paid



1/27/88

UNCLASSIFIED

4700



Chapter 23 FN 21

23-21+22

UNCLASSIFIED C 09296 24

470

ACCOUNTING BY INDIVIDUAL FOR ADVANCE

March 18, 1985 May 20, 1985

5167355 JA2085

50,000.00

50,000.00

50,000.00

Center

48 JUN 85

50,000.00

COPY

released on 1/29/87
46 E.O. 12858
Exempt from National Security Classification

REVIEWED FOR RELEASE
Date 1 June 87
KSG/SSC

CUIN 3908

TOTAL

UNCLASSIFIED

FORM 101 MIS
MAY 1962 EDITION
GPO

UNCLASSIFIED
SECRET
C 09299 27

REQUEST FOR ADVANCE OF FUNDS

2. TRANS CODE		3. NAME (LAST, FIRST, MIDDLE)		4. EMPLOYEE NO.		5. OFFICE	
PAYABLE TO		ROOM	BUILDING	EXTENSION	AMOUNT		
SAME AS ABOVE			HQ		\$50,000.00		
6. PROJECT NUMBER		7. TYPE OF ADVANCE		8. ACTIVITY NO.		9. DUE DATE	
						5500	

PURPOSE (FIRST 24 CHARACTERS OF EACH LINE WILL BE ENTERED):

10. WHAT: SENSITIVE OPER. OPERATION WITH DEB

11. WHERE: [REDACTED]

12. WHEN: FEB-MAR 1981

13. WHY: SENSITIVE OPERATION-DOCUMENTATION EST

14. EXP CODE

15. AGENCY CODE

4704

ORN TYPE	ORN SUB #	17. SOC	18. AMOUNT	19. MONETARY CONTROL NO.	20. TOTAL AMOUNT
P			50,000.00		\$50,000.00
S					
S					
S					

REQUESTING OFFICER		APPROVED	
DATE	SIGNATURE	DATE	SIGNATURE OF APPROVING OFFICER
CERTIFY FUNDS ARE AVAILABLE		CERTIFIED FOR PAYMENT OR CREDIT	
DATE	SIGNATURE OF AUTHORIZING OFFICER	DATE	AUTHORIZED CERTIFYING OFFICER

I agree that I will fully account for this advance by submission of vouchers and refund of any unexpended balance at the place of accounting stored and by the due date checked below. In the event of my failure to so account and refund any unexpended balance, I authorize deduction from my salary to effect settlement.

I authorize my agent, whose signature appears below, to receive currency amounting to _____ of official funds on my behalf and acknowledge receipt of such funds and my responsibility therefor, when paid to my agent.

RECEIPT FOR FUNDS ADVANCED	
DATE	SIGNATURE OF ADVANCEE
DATE	SIGNATURE OF [] ADVANCEE [] AGENT
DATE	PREPARED BY
DATE	REVIEWED BY

UNCLASSIFIED

UNCLASSIFIED

pt 4

C 09300

39

18 MARCH 1985

CIA OFFICER

I HEREBY ACKNOWLEDGE RECEIPT OF \$50,000.00 FROM [REDACTED]
IN SUPPORT OF A JOINT SENSITIVE OPERATION. SAID AMOUNT WILL BE
ACCOUNTED FOR IN FULL UPON COMPLETION OF APPROVED ACTIVITY.

C

[REDACTED]

4705

[REDACTED]

1/29/87

UNCLASSIFIED

A

CIN 3911

Gene F. J.
ITSCTSC

12-23

CLASSIFIED AT TIME OF PUBLICATION.

UNCLASSIFIED

23-28

1 PAGE C 09259
CHAPTER 23 FN #28

DENIED IN
TOTAL

4706

UNCLASSIFIED

Chapter 23 FN# 30:
32
0 09282

DECLASSIFIED

23-30+32

15 May 1985

MEMORANDUM FOR THE RECORD
SUBJECT: [REDACTED] Operation

1. Abu Azzam telephoned this date to advise that he had contacted the DEA source [REDACTED]. The message passed was as follows: Family and old friends could not determine whether the "proof" was valid. However, interest had been piqued and there was a request for answers to one or more of five additional questions which would be passed to the DEA source by his handler. (The questions suggested by [REDACTED] CIA OFFICER

[REDACTED] have been cabled to the DEA. Azzam commented that the source initially seemed somewhat reluctant to return and ask for more proof, but said he would do so.

[REDACTED]

4707

cc: DDO (eyes only)
AC/NE (eyes only)
NE/[REDACTED] (eyes only)

1/29/87

UNCL

SECRET

CLASSIFIED BY [REDACTED]
DATE 10/19/87
EXEMPT FROM GDS
ALL SECRET

CIIN 3899

82-684 929

1 June 87



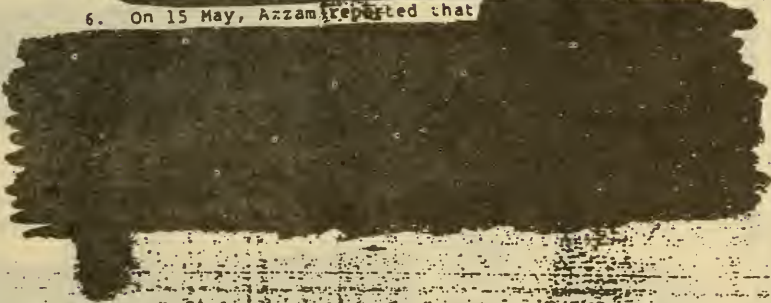
THIRD
AGENCY-
DEA

UNCLASSIFIED

order not to have too much delay, it was agreed that Azzam
would contact [redacted] and pass the message that the evidence
was insufficient.



6. On 15 May, Azzam reported that



THIRD
AGENCY-
DEA

UNCLASSIFIED

CIIN 3900

0010
I. [unclear]
ASCS/CSC

23-36137

UNCLASSIFIED

22 MAR '85

0 1854

0830 Wtg. Dan, 08kmwts [redacted] Jim [redacted], v.

Notes for Rev:

- Sounds version: 2844, [redacted] in WC)

- Home version: long on something long
under school [redacted]

- long bar bar card w/

Had [redacted] / [redacted] /

1985 - Wtg w/ [redacted]

- [redacted] in [redacted]

- visit that building

- [redacted] of bank

- final pass: \$200k for bankfile

2 people = \$1.5m in 2000 bank

50k in cash

2 remaining [redacted]

UNCLASSIFIED

4709

08/21

UNCLASSIFIED

Q T855

- why w/

(cont'd)

* Need to contact base and/or Marine directly to ensure that this is possible

- different phase of operation
- exposure of CIA is a problem

report directly to Mickey or JWP or Ben on this matter.

- Gets out of book
- Azam 2 in hospital

* — once 200K is delivered, bodies will be moved in 2-3 days.

* If price is too high, need to keep door open w/ 75%

is afraid that this could back out of the file in

UNCLASSIFIED

(4710)

10/27/81

UNCLASSIFIED

ZZ WAY

Wg w/ [redacted] (cont'd)

Q 1856

- guy working w/ us is

[Large redacted block]

[Large redacted block]

-Dingo

(4711)

UNCLASSIFIED

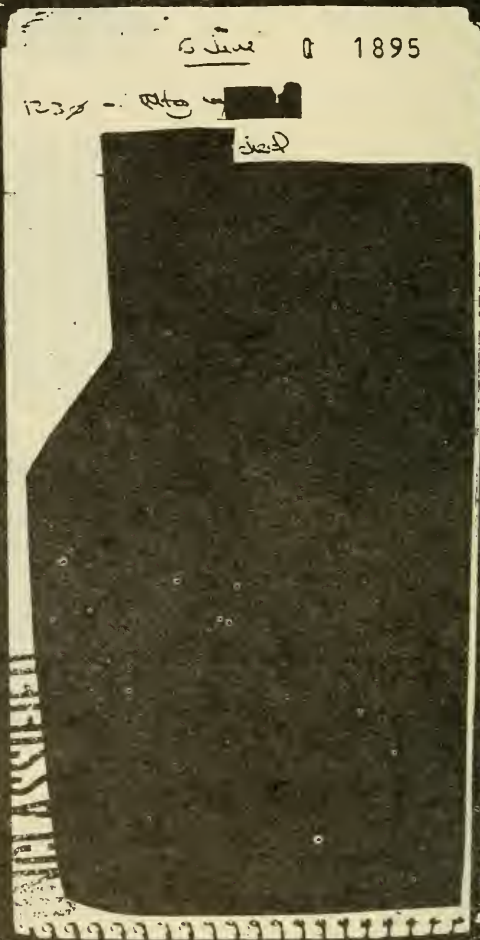
1856/1

CLASSIFIED AT TIME OF PUBLICATION.

Chapter 23 FN# 54

23-54

UNCLASSIFIED



1895

4712

23-59+63
+65

CLASSIFIED AT TIME OF PUBLICATION.

Chapter 23 FN# 66

F B 002839

23-66

UNCLASSIFIED

May 7, 1987

MEMORANDUM TO: The Director

FROM: Oliver B. Revell
Executive Assistant Director
Investigations

SUBJECT: DEA ASSISTANCE PROVIDED TO
THE NATIONAL SECURITY COUNCIL
STAFF IN REGARD TO THE
HOSTAGES IN LEBANON

This is to confirm information orally provided to you on 4/29/87.

While accompanying the Attorney General on a trip to Brussels, Belgium, to attend meetings [redacted] Mr. Charles Allen, the National Intelligence Officer for Counterterrorism, advised me that he wanted to discuss a sensitive issue in regard to the hostage situation.

Mr. Allen advised that he had recently been interviewed by Mr. Arthur L. Liman, Chief Counsel for the Senate Select Committee on the Iran Contra matter. Mr. Liman showed Allen an action paper from Lt. Col. Oliver North to Assistant to the President for National Security Affairs Bud McFarland concerning the use of DEA Agents to effect the release of hostages held in Lebanon. Mr. Allen indicated that the memorandum was dated in either June or July 1985. He further advised that the memorandum indicated that DEA Administrator Jack Lawn had seconded two DEA Agents, [redacted] and [redacted] to Oliver North for assistance to the National Security Council (NSC) on hostage issues. Mr. Allen also indicated that these Agents had traveled overseas on behalf of the NSC at North's direction and had allegedly expended approximately \$60,000 in DEA funds on behalf of the NSC.

1-Mr. Revell (Original notes attached)
1-Mr. Baker
1-Mr. Clarke
OBR:kvw (5)

4713

UNCLASSIFIED

UNCLASSIFIED

F B 002890

Memorandum to The Director

Mr. Allen inquired as to whether or not the FBI, specifically you or I, were aware of this situation and he further indicated he had not been aware of the seconding of DEA Agents to Col. North until this matter was raised with him by Mr. Liman.

I advised Mr. Allen I was totally unaware of any such information and that I was certain you were as well. I told Allen that we were both aware that

[REDACTED] but that neither of us to my knowledge had any information concerning DEA Agents traveling overseas on behalf of the NSC or being seconded to the NSC under North's direction.

Upon my return from Brussels, I orally briefed you concerning this information at which time you confirmed to me that you were unaware of DEA Agents being used in any capacity to assist Col. North. Thereafter you placed a telephone call to Mr. Jack Lawn, Administrator of DEA; however, he was not immediately available and you were not able to contact him during our discussion.

UNCLASSIFIED

ROUTING			
TO	NAME AND ADDRESS	DATE	INITIALS
1	LTC Oliver North		
2	NSC		
3			
4			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ACT ON	DIRECT REPLY	DISPATCH	PREPARE REPLY
APPROVAL	FILE	RECOMMENDATION	RETURN
CONCURRENCE	INFORMATION	SIGNATURE	
REMARKS			
FROM NAME, ADDRESS, AND PHONE NO			DATE
DCI/HLTF			

Chap 70
UNCLASSIFIED
 (Security Classification)
 72
 N 7435
 24 APR 86

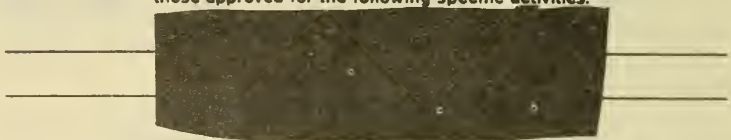
CONTROL NO. 1 of 1
NOT THRU REGISTRIES

23-70+72

Handle Via

UNCLASSIFIED

Access to this document will be restricted to those approved for the following specific activities:



14-00000, 14888C, 14-1/2/88-
 14-00000, 14888C, 14-1/2/88-
 14-00000, 14888C, 14-1/2/88-
 14-00000, 14888C, 14-1/2/88-

4714

Warning Notice
 Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
 Unauthorized Disclosure Subject to Criminal Sanctions

BKD/FAI
 N 5-152
 12-22-86

UNCLASSIFIED

UNCLASSIFIED

Washington D.C. 20505

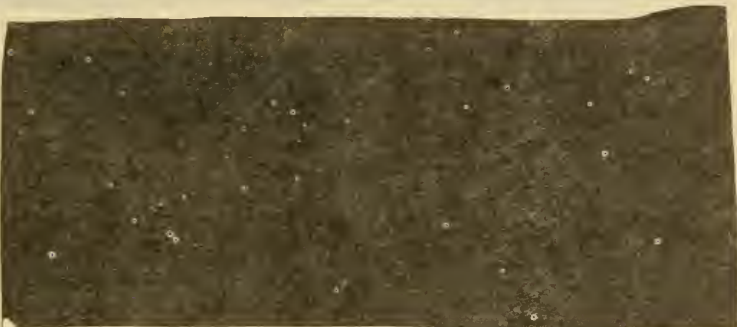
24 April 1986

MEMORANDUM FOR: LTC Oliver North
National Security Council

N 7436

FROM: Major [REDACTED]
DCI/BLT

SUBJECT: Options to Secure the Release of US Hostages



The back channel initiative with Iran could well result in the release of the hostages. Iran has substantial influence over the captors and probably could effect a release of American hostages if Ayatollah Khomeini intervened directly to give his approval, even though Iranian influence over the hostages diminished.

The United States would be obliged to make concessions to Iran. Iran is very interested in acquiring crucial military equipment and spare parts to support their current operations against Iraq.



1/29/88
E.O. 12958
National Security Council

UNCLASSIFIED

4714

UNCLASSIFIED [REDACTED]

N 7437

One drawback to this initiative is that either the Iranian Government or one of the factions within the Government might publicly expose any US concessions to Iran simply to embarrass the present Administration.

[REDACTED]

[REDACTED]

Major, US Army

UNCLASSIFIED [REDACTED]

UNCLASSIFIED

4 PAGES

N-7438 thru N-7441

DENIED IN
TOTAL**UNCLASSIFIED**

Chapt: 23 FN#8
-20

UNCLASSIFIED

THE WHITE HOUSE
WASHINGTON

23-82a

June 11, 1986

Dear Ross:

N 4247

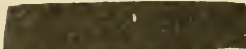
I have been briefed on your effort over the past several weeks on behalf of our Americans abducted in Beirut. On behalf of the American people, I want to thank you for your discreet assistance in this regard. My hope is that we may yet succeed in reuniting these men with their families and loved ones. Thanks again and God bless you.

Sincerely,

Ron

1/5/86

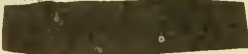
Mr. H. R. Perot



THE WHITE HOUSE

UNCLASSIFIED

Mr. H. R. Perot



4715

Chapter 23 FN# 98

J 9089

UNCLASSIFIED

3 Dec 86

8¹⁰ an

8²⁵ - 8⁵⁵

23-98

8¹⁰ group + Webster
re: Iranian matter

~~AAA~~ / ck

Perot answer —

— He "know" or "authorized"

Handwritten notes on the left margin, including "by H. ..."

UNCLASSIFIED

4716

~~UNCLASSIFIED~~

N 2927

NATIONAL SECURITY COUNCIL
WASHINGTON, DC 20508

Non-Log

23-113

September 15, 1986

~~TOP SECRET~~

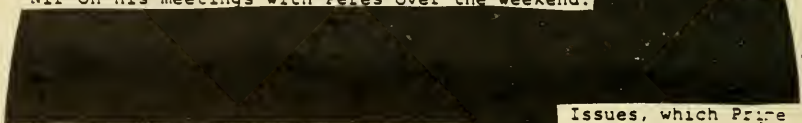
ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

SUBJECT: Follow-on Meeting with Amiram Nir

You are scheduled to meet with Ami Nir again this afternoon at 1:30 p.m. for 10 minutes. Purpose of this meeting is to debrief Nir on his meetings with Peres over the weekend.



Issues, which Prime Minister Peres may raise privately with the President, are outlined at Tab III. Nir notes that it is unlikely that Peres will discuss any of these with anyone else in the room.

RECOMMENDATIONS

1. That you privately discuss the papers at Tabs I and II with Director Casey and indicate next steps after the conversation.

Approve f Disapprove _____

2. That you brief the President on the initiatives outlined at Tab III.

Approve f Disapprove _____

Attachments

- Tab I
- Tab II
- Tab III - Possible Peres Discussion Items with the President



Partially Declassified/Released on 10/16/1987
under provisions of E.O. 12356
by B. Reger, National Security Council

1506

~~UNCLASSIFIED~~

~~TOP SECRET~~

Declassify: OADR

N

UNCLASSIFIED

3-pages deleted in their entirety

UNCLASSIFIED

~~TOP SECRET~~~~UNCLASSIFIED~~

September 13, 1986

POSSIBLE PERES DISCUSSION ITEMS WITH THE PRESIDENT

Amiram Nir, the Special Assistant to Prime Minister Peres on Counter-Terrorism, has indicated that during the 15 minute private discussion with the President, Peres is likely to raise several sensitive issues:

--



--

Hostages: Several weeks ago, Peres expressed concern that the U.S. may be contemplating termination of current efforts with Iran. The Israelis view the hostage issue as a "hurdle" which must be crossed enroute to a broadened strategic relationship with the Iranian government. It is likely that Peres will seek assurances that the U.S. will indeed continue with the current "joint initiative" and ensure that we will include the two missing Israelis in the process. In that neither Weir nor Jenco would be free today without Israeli help (particularly in logistics), it would be helpful if the President would simply thank Peres for their discrete assistance.

Thanks for assistance on Nir's part. Will continue to work with you. Includes a message from Nir on it.

~~TOP SECRET~~
Declassify: OADR

~~UNCLASSIFIED~~

Chapter 23

23-115

UNCLASSIFIED

19 000 - 1319

[REDACTED]

- 1

1005 - Call from Clwidge

- [REDACTED] has an [REDACTED]

1081 - Hall die

[REDACTED] T.H. 1

- Long for operation

[REDACTED] T.H. 2

- of Rudy

[REDACTED] coming next week

UNCLASSIFIED

4/27/80

(4717)

N 12543

UNCLASSIFIED

TO: NSJBF --CPWA

Re: Reply to memo of 05/31/86 10:21

NOTE FROM: YRIP III

Subject: 805FACHS
I fully agree that if the current effort fails to achieve release then such a mission should be considered. You will recall that we have not had much success with this kind of endeavor in the past, however.

Copp undertook to see what could be done thru one of the earlier contacts. Dick has been working with WIR on this operation as JCS, but that's better than nothing.

As regards to W.S. Military rescue ops, JCS has steadfastly refused to go beyond the initial thinking stage unless we can develop some hard intelligence on their whereabouts. We already have

If we really are serious, we should start by getting CIA to put a full time analyst on the SHIR and then organizing a planning cell - preferably not in the Pentagon, but at CIA, to put the operation together. Dick, who has been in Beirut, and who organized the second Iran mission, is convinced that such an operation could indeed be conducted. My concern in this regard is that JCS will insist on using most of the money in such an undertaking. If you want me to task this thru the OSC we will do so, but I argue that we start by you having Casey staff the SHIR as

5/6/87

W. R. ...
... Security Group

407
J May 7/26



UNCLASSIFIED

UNCLASSIFIED

23-118

CHAPTER 23 # 118

-118-

DENIED IN
TOTAL

4971

UNCLASSIFIED

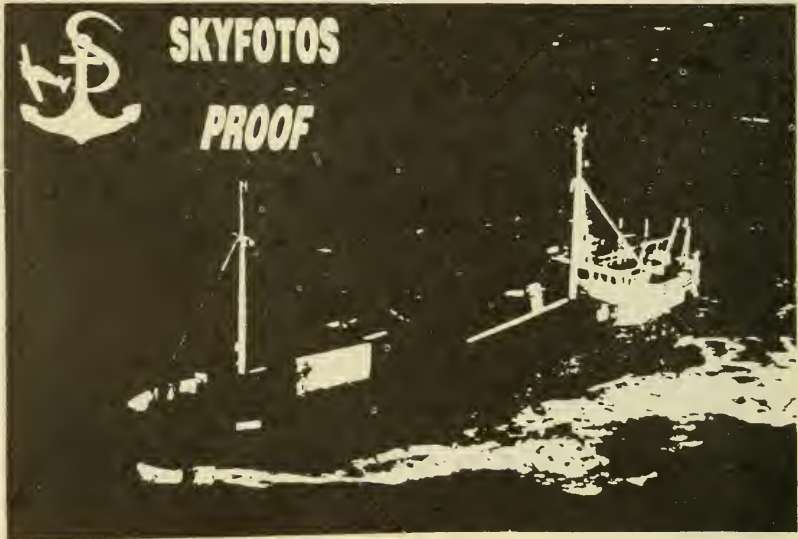
UNCLASSIFIED

EXHIBIT
ER 0033

23/121

23-121

441



UNCLASSIFIED

23-122

CLASSIFIED AT TIME OF PUBLICATION.

Chapter 23 FN# 126

UNCLASSIFIED

23-126

ER 000

Technical equipment M/V "ERRIA"

Specification

POS. 1-----	3,643 CASES	-----G.W.	109,290,-Kgs.
POS. 2-----	100 CASES	-----G.W.	4,800,-Kgs.
POS. 3-----	500 CASES	-----G.W.	16,500,-Kgs.
POS. 4-----	63 CASES	-----G.W.	1,764,-Kgs.
POS. 5-----	4 CASES	-----G.W.	300,-Kgs.
POS. 6-----	117 CASES	-----G.W.	6,346,-Kgs.
POS. 7-----	300 CASES	-----G.W.	29,040,-Kgs.
POS. 8-----	3 CASES	-----G.W.	255,-Kgs.
POS. 9-----	18 CASES	-----G.W.	1,503,-Kgs.
POS. 10-----	2 CASES	-----G.W.	207,-Kgs.
POS. 11-----	3 CASES	-----G.W.	75,-Kgs.
POS. 12-----	11 CASES	-----G.W.	413,-Kgs.
POS. 22-----	357 CASES	-----G.W.	10,710,-Kgs.
	<u>5,121</u>		<u>181,203,</u>

UNCLASSIFIED

(4718)

Shipper

IPPEX - PORTUGAL
 REPRESENTAÇÕES, IMPORTAÇÃO, EXPORTAÇÃO, LDA
 LISBOA / PORTUGAL

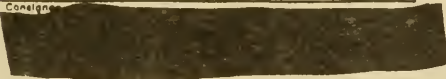
LINER BILL OF LADING

Reference No

B/L No 2

UNCLASSIFIED

ER 0002



Notify address

Pre-carriage by" Piece of receipt by pre-carrier"

Vessel "ERRIA" Port of loading SETUBAL

Port of discharge Piece of delivery by on-carrier"

COPY NOT NEGOTIABLE

Marks and Nos. Number and kind of packages, description of goods Gross weight Kilos Measurement

NO MARKS
 NO NUMBERS

5.121 PKCS. AMMUNITIONS + GUNS

181.203,-

1/29/58

4719

Particulars furnished by the Merchant

Freight details, charges etc.				
Daily demurrage rate (additional Clause A)				

SHIPPED on board in apparent good order and condition, weight, measure, marks, numbers, quality, contents and value unknown, for carriage to the Port of Discharge or so near thereunto as the Vessel may safely get and lie always afloat, to be delivered in the like good order and condition at the aforesaid Port unto Consignees or their Assigns, they paying freight as indicated to the left plus other charges incurred in accordance with the provisions contained in this Bill of Lading. In accepting this Bill of Lading the Merchant expressly accepts and agrees to all its stipulations on both pages, whether written, printed, stamped or otherwise incorporated, as fully as if they were all signed by the Merchant.
 One original Bill of Lading must be surrendered duly endorsed in exchange for the goods or delivery order.
 IN WITNESS whereof the Master of the said Vessel has signed the number of original Bills of Lading stated below, all of this tenor and date, one of which being accomplished, the others to stand void.

UNCLASSIFIED

- E. The transport mentioned in this B/L is also subject to clauses of Owners Bills of Lading.
- F. O contrato de transporte detido pelo presente conhecimento de carga rege-se pelo Decreto-Lei n.º 37.748 de 1 de Fevereiro de 1950 e pelas disposições do Convénio de Bruxelas de 25 de Agosto de 1924 por aquilo Decreto-Lei integradas no Direito Português.
- G. Este conhecimento não é válido para despachar as Alfândegas sem ser validado pela Agência do navio.

Freight payable at	Piece and date of issue of issue
Number of Original B/L	Signature <i>[Signature]</i> MARSHAL

UNCLASSIFIED

23 : n# 127

Memorandum of Agreement

Norwegian Shipbrokers' Association's Memorandum of Agreement for sale and purchase of ships. Adopted by The Baltic and International Maritime Conference. Code-name -SALEFORM. Revised 1966. -Last issue 1974.

EXHIBIT

Arne Herup Gasværksvej 15, 6960 Marstal Dated: Copenhagen, 28/4/86. Denmark

hereinafter called the Sellers, have today sold, and Messrs Dolmy, Business Inc., a conperation organized, existing and in good standing under the laws of the Republic of Panama.

hereinafter called the Buyers, have today bought M/V "ERRIA" Class: Bureau Veritas Built: 1973

23-127

Register Tonnage: Grosstonnage: 299,99 Net tonnage: 162,04 with everything belonging to her, on board and on shore, (see § 7), on the following conditions:

§ 1. Price: Dkr. 2.500.000,- including the deposit provided in par. 2 below, in balance to Sydfyns Disconto bank, Bredgade 32, Denmark, to be paid upon delivery of vessel and acceptance by the buyer.

§ 2. As a security for the correct fulfilment of this contract, the Buyers shall pay a deposit of 10% — ten per cent — of the Purchase Money on signing this contract.

This amount shall be deposited with Sydfyns Discontobank Bredgade 32 - Denmark

and held by them in a joint account for the Sellers and the Buyers. Interest, if any, to be for Buyers' account. Any fee charged for holding said deposit, shall be borne equally by the Sellers and the Buyers.

§ 3. The said Purchase Money shall be paid in as per Par. 1. above

on delivery of the vessel, but not later than 3 days (Sundays & Holidays excepted) after the vessel is ready for delivery and written notice hereof has been given to the Buyers by the Sellers.

§ 4. The Sellers ~~shall~~ ^{has provided} for inspection of the vessel at in Marstal, Denmark, which vessel is now under repair.

~~and the Buyers shall undertake~~ ^{have undertaken an} inspection ~~of~~ ^{of} the vessel when the repair is completed.

The vessel shall be delivered and taken over at in Marstal, Denmark subject to a final inspection and acceptance by the buyer.

Should the vessel become a total or constructive total loss before delivery, this contract shall be considered null and void and the deposit immediately released to the Buyers.

§ 5. The Buyers ~~shall~~ ^{has inspected} the vessel afloat without any opening up and without cost to the vessel. During the inspection the vessel's log books for engine and deck ~~shall~~ ^{have been made} available for Buyers' examination.

~~Such inspection of the part of the vessel to be covered by the contract shall be completed by the Sellers before the vessel is delivered to the Buyers.~~

~~Should the vessel be a total or constructive total loss before delivery, this contract shall be considered null and void and the deposit immediately released to the Buyers.~~

Handwritten initials/signature.

12/88

UNCLASSIFIED

4720

UNCLASSIFIED

§ 6. For inspection of bottom and other underwater part(s), the Sellers shall place the vessel in drydock at the port of delivery. If rudder, propeller, bottom or other underwater part(s) be found broken, damaged or defective, so as to affect the vessel's clean certificate of class, same shall be made good at the Sellers' expense (or) satisfaction without qualification on such underwater part(s).

ER 0014

Whilst the vessel is in drydock, and if required by the Buyers or the representative of the Classification Society, the Sellers shall arrange to have the tail-end shaft drawn. Should same be found broken or defective so as to affect the vessel's clean certificate of class, it shall be renewed or made good at Sellers' expense to the Classification Society's satisfaction without qualification on such underwater part(s).

The expenses of drawing and repairing the tail-end shaft shall be borne by the Buyers unless the Classification Society, prior to the start of the drawing, find the damaged or broken or made good in which case the Sellers shall pay these expenses.

The expenses in connection with putting the vessel in and taking her out of drydock, including drydock dues and the Classification Surveyor's fees shall be paid by the Sellers if rudder, propeller, bottom, other underwater part(s) or the tail-end shaft be found broken, damaged or defective as aforesaid or if the Classification Society requires the tail-end shaft to be drawn (whether damaged or not). In all other cases the Buyers shall pay the cost of vessel expenses, dues and fees.

The Sellers shall at their own expense bring the vessel to the drydock and from the drydock to the place of delivery.

§ 7. Unless otherwise agreed the Buyers shall take over and pay the current market price at the port of delivery for provisions, remaining bunkers, unused oil and used stores. All spare parts and spare equipment including spare tail-end shaft(s) and/or spare propeller(s), if any, belonging to the vessel at the time of inspection, used or unused whether on board or not shall become the Buyers' property. Forwarding charges, if any, shall be for the Buyers' account. The Sellers, however, are not required to replace spare parts including spare tail-end shaft(s) and spare propeller(s) which have been taken out of spare and used as replacement prior to delivery.

The Sellers have the right to take ashore or to keep on board any of the articles bearing the Sellers' flag, on condition they substitute with an adequate number of similar unimpaired items of the same kind and quantity, for each article of value for which the Sellers' vessel may be excluded without compensation.

Payment under this clause shall be in the same currency as the Purchase Money.

§ 8. In exchange for payment of the Purchase Money the Sellers shall furnish the Buyers with legal Bill of Sale of the said vessel free from all encumbrances and maritime liens, duly notarially attested and legalized by the Panamanian consul together with a certificate stating that the vessel is free from registered encumbrances. On delivery of the vessel the Sellers shall provide for the deletion of the

Handwritten signature

UNCLASSIFIED

vessel from the Ships Register and deliver a certificate of delivery to the buyers
The deposit shall be placed at the disposal of the Sellers as well as the balance of the
Purchase Money, which shall be paid as agreed together with payment for items
mentioned in § 7. , except as provided for below par. 18.

The Sellers shall, at the time of delivery, hand to the Buyers ^{Exhibit 0015} classification
certificates (for hull, engines, anchors, chains, etc.), as well as all plans which may
be in Sellers' possession. The same applies to log books, unless otherwise agreed.

§ 9. The Sellers guarantee that the vessel, at the time of delivery, is free from
all encumbrances and maritime liens or any other debts whatsoever. Should any
claims, which have been incurred prior to the time of delivery be made against the
vessel, the Sellers hereby undertake to indemnify the Buyers against all consequen-
ces of such claims. Any taxes, notarial and/or consular and/or other charges and/or
expenses connected with the purchase and registration under Buyers' flag, shall be for
Buyers' account. Any taxes, notarial and/or consular and/or other charges and/or
expenses connected with closing of the Sellers' register, shall be for Sellers' account.

§ 10. The Wireless Installation ^{and all navigational equipment including radar,} and Nautical Instruments shall be included in the
sale without any extra payment, ~~it shall be the property of the Sellers.~~

§ 11. The vessel with everything belonging to her shall be at Sellers' risk and
expense until she is delivered to the Buyers, but subject to the conditions of this con-
tract, the vessel with everything belonging to her shall be delivered and taken over
as she is at the time of delivery, after which the Sellers shall have no responsibility
for possible faults or deficiencies of any description.

§ 12. The Buyers undertake to change the name of the vessel and alter funnel
markings before trading the vessel under new Ownership.

§ 13. Should the Purchase Money not be paid as aforesaid, the Sellers have the
right to cancel this contract, in which case the amount deposited shall be forfeited
to the Sellers. If the deposit does not cover the Sellers' loss, they shall be entitled
to claim further compensation for any loss and for all expenses together with inter-
est at the rate of 5% per annum.

~~Should the Buyers unduly delay the inspection of the vessel, they shall com-
pensate the Sellers for any loss thereby incurred.~~

§ 14. If default is made by the Sellers in the execution of a legal transfer or in
delivery of the vessel with everything belonging to her in the manner and within
the time herein specified, and the default shall have arisen from events for which the
Sellers are responsible, the Buyers shall have the right to cancel this contract and
the deposit in full shall be returned to the Buyers together with interest thereon at the
rate of 5% per annum. The Sellers shall, in addition, make due compensation for any
loss caused to the Buyers by non-fulfilment of this contract.

§ 15. If any dispute should arise in connection with the interpretation
and fulfilment of this contract, same shall be decided by arbitration in

*) The name of the Classification Society to be inserted.

**) Notes, if any, in the Surveyor's report which are accepted by the Classification Society with-
out qualification are not to be taken into account.

UNCLASSIFIED

UNCLASSIFIED

the city of London according to English law.
 and shall be referred to a single Arbitrator to be appointed by the parties 116
 hereto. If the parties cannot agree upon the appointment of the single Arbitrator, 117
 the dispute shall be settled by three Arbitrators, each party appointing one Arbitra- 118
 tor, the third being appointed by the London Maritime Arbitrators' association
 in ~~London~~ ^{London} ~~Copenhagen~~. If either of the appointed Arbitrators refuses or is incapable of acting, 119
 the party who appointed him, shall appoint a new Arbitrator in his place. 121

If one party fails to appoint an Arbitrator — either originally or by way of sub- 122
 stitution — for two weeks after the other party having appointed his Arbitrator, 123
 has sent the party making default notice by mail, cable or telex to make the ap- 124
 pointment, The ~~Baltic and International Maritime Conference~~
 London Maritime Arbitrators' association shall, after application 125
 from the party having appointed his Arbitrator, also appoint an Arbitrator on behalf 126
 of the party making default. 127

The award rendered by the Arbitration Court shall be final and binding upon the 128
 parties and may if necessary be enforced by the Court or any other competent authori- 129
 ty in the same manner as a judgment in the Court of Justice. 130

r. 16: The provisions, bunkers, luboil, which seprately are to be paid
 for are as follows :

1 televisions	Philips 24" colour	Price	Dcr.	5.000,-
1 video	Philips VHS	"	-	5.000,-
50 tons gasoil		"	-	92.925,-
300 litres luboil		"	-	3.633,-
500 litres paint á Dcr. 20,-		"	-	10.000,-
In total			Dcr.	116.558,-

The vessel shall be delivered on an "as is, where is" basis with
 all class and trading certificates as they are onboard the vessel.

UNCLASSIFIED

UNCLASSIFIED

UNCLASSIFIED

ER 0017

- Par. 17. The seller represents and warrants to the buyer that at the signing of this memorandum of agreement there exists only one lien against the vessel, namely a first lien in favour of MARSTAL SPAREKASSE, to secure a loan made by said MARSTAL SPAREKASSE to seller in the approximate amount of One Million Kroner, which amount he undertakes not to increase, and that there are no other liens or encumbrances standing against the vessel, whether recorded or not, whether within Denmark or without, and whether for funds borrowed, provisions and supplies purchased for use on the vessel, repairs to the vessel, for sailors or seamen engaged on the vessel, for port charges, docking fees, or for any other cause or reason whatsoever.
- Par. 18. The seller represents and warrants that he shall execute contemporaneously with the execution of this memorandum of understanding an irrevocable letter of instructions to the Sydfyns Discontobank with respect to the account to which the purchase price is to be paid by the buyer, providing as follows :
- Redf.*
- a) That funds shall be withdrawn from said account only by the joint signatures of ~~Peter Schauburg-Müller~~, attorney for the seller and ~~Olaf Stehn~~, attorney for the buyer, until the debt, together with interest and all bank charges pertaining thereto, shall be paid by them to MARSTAL SPAREKASSE, they shall have obtained from Marstal Sparekasse a release or satisfaction or the lien on the vessel, and they shall have recorded said release or satisfaction in the ship's Register of Denmark (Skibs registerat).
- b) That an amount necessary to pay the fees to strike the registration of the vessel from the 'Skibs registeret' shall be paid or reserved for payment by the two above said attorneys.
- c) That upon the provisions above having been complied with, the signature power on said account of the two attorneys shall be renounced by them and shall be that of the seller or his designee.
- Par. 19. Delivery of the vessel in sea-worthy condition by the seller to the buyer shall be made not later than noon on 10th May 1986. Time is of the essence in this agreement, and failure by the seller to so deliver shall give the right to the buyer to terminate its obligation to purchase the vessel and to recover its deposit. Not-with-standing the foregoing, the buyer shall have the right to waive its right to terminate in the event of late delivery and it may, at its sole option, extend the date for delivery at any time, and from time to time, and any such waiver made by the buyer shall not be deemed to deny to the buyer the right to terminate its obligation to purchase upon any extended delivery date or dates. Any such waiver by the buyer shall be in a writing signed by the buyer or by a telex sent by it to seller or his representative.
- Par. 20. The seller, through its agent, has represented the buyer that sales of comparable vessels (to wit the M.V. "RAAGØ" and M.V. "RANS BOYE ") were made for the respective amounts of US\$. 295.000 and Dcr. 3.475.000 , and he undertakes to furnish to buyer evidence, in form satisfactory to buyer, corroborating said sales prices.
- Par. 21. The parties represent to each other that the only broker in this transaction is S.A. Chartering Aps, that the seller agrees to pay its fee, and that each will hold the other harmless from the claim of any broker and agent, who claims any commission or compensation in connection with this transaction.
- Par. 22. Each party agrees that he or it will pay his own attorney's fees.

COPENHAGEN APRIL 28, 1986

Alfred
THE SELLER

Alfred
The Buyer

UNCLASSIFIED

Forevist i Skibsregistret
d. 15/1986 ad dagbogenr. 1



UNCLASSIFIED

ER 0019

BILL OF SALE
PANAMA

Official Number (or Provisional Navigation License Number): D. 2141
 Name of Ship - ERRIA - (as VERALIL)
 No. Date and Port of prior Registry 1973 - Esbjerg
 Type of Ship (Sailing, Steam or Motor): Motorvessel
 Horse Power of Engines, if any 600 BHP
 Length: 152' Breadth: 27'2'' Depth: 16'1''
 Title recorded in Panama: (for the event that the vessel is already registered in Panama):
 Volume: _____, Folio: _____, Entry No.: _____
 on _____ th _____, 197____, of the Mercantile Section of the Public Registry of the City of Panama, Republic of Panama.
 Tonnage: Gross: 299,99
 Net/Registered 162,04

and as described in more detail in the Certificate of the Surveyors and the Register Book.

We, (a) Captain Arne Herup
 (hereinafter called "the Vendors") having our principal place of business at (b) Gasvaerksvej 15, DK-6960 MARSTAL
 in consideration of the sum of DKR: 2.500.000,00
 paid to us by (c) Messrs. Dolmy Business Inc.
 of (d) Panama

(hereinafter called "the Purchaser") the receipt whereof is hereby acknowledged, transfer our whole title to, and interest in, the ship above particularly described, and in the boats, tackle and other appurtenances belonging to the said ship, to the Purchaser. Further we, the Vendors, for ourselves and our successors covenant with the Purchaser and its assigns that we have the power to transfer the said Ship and title thereto in the manner aforesaid and that the same is free from incumbrances.

In witness whereof we have hereto affixed our corporate seal/signature this 28
 day of APRIL one thousand nine hundred and eighty 86
 by:

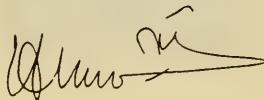

 (a) Albert Hakim
 (Title of signatory)

ACCEPTANCE OF SALE

The Undersigned, (c) ALBERT HAKIM, on behalf, of and representing the Purchaser named in the annexed Bill of Sale, in my position as (g) legal representative of the said Purchaser, hereby accept for all legal purposes, the sale and transfer effected by the said Bill of Sale to this Corporation by (a) Captain A. Herup of the vessel "ERRIA" (to be renamed "same") referred to in the said Bill of Sale.

Dated the 29th day of April, 1986.

AS PER TERMS AND CONDITIONS
 OF SALES AGREEMENTS DATED 28-4-86



UNCLASSIFIED

This is to certify that

UNCLASSIFIED

Mr. ARNE HERUP and
Mr. ALBERT HAKIM,

whose identity was proved to me in my presence
have signed this document.

In testimony whereof I have hereunto signed my
name and affixed the seal of my office.

Notariate of Copenhagen, Denmark, April, the 29.th. 1986.

Fees: 150,- cr.

[Signature]
Notary public of Copenhagen

G. KORSNER
NOTAR



El Infrascrito Cónsul de Panama en
Copenhague, Dinamarca,
CERTIFICA:

Que la firma que precede de
G. Korsner
quien ejerce el cargo de
notario público
en *Copenhague*
Dinamarca es auténtica. 02 MAJ 1986
Copenhague,



p. p. Consul Klaus Lembcke

KLAUS LEMBCKE
Cónsul
Ar. 80. Derechos: B/10.00
Cambio: B/1.00 = CD 9,-
Recibo No. *3531952*

[Signature]
LISE PENTER
Secretaria

UNCLASSIFIED

DANMARK
05.5.86 13305
SEMPERLAFBET
SKIBSREGISTRERET
100000

3467
Not.K.J.Nr. /86

23 #128

UNCLASSIFIED

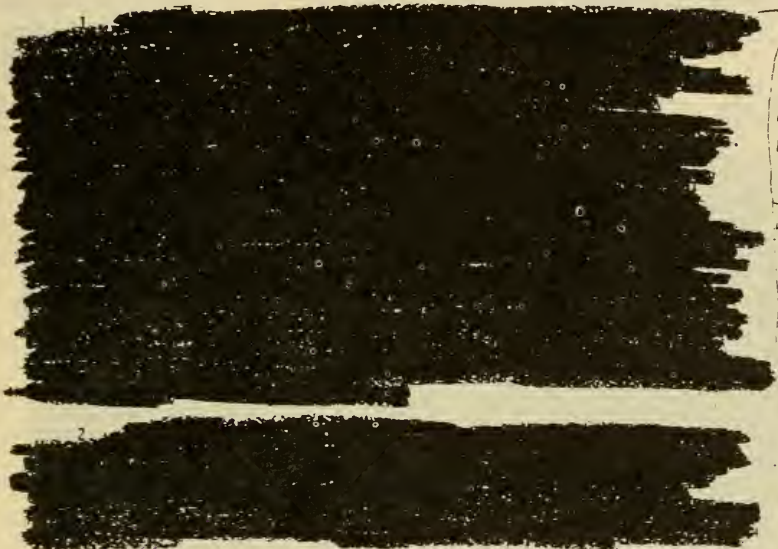
SECRET

23-128

DO 086-0114/20

MT65-02

SUBJECT: Item for Discussion at DCI Meeting with Assistant to the President for National Security Affairs Poindexter on 15 May 1986



operation unrelated to [unclear]

3. We have examined and rejected the possibility of using a privately owned Danish flag ship, the ERRIA which was proposed by a member of the NSC staff. This ship is not a viable option for technical reasons and because former Agency officer Tom Clines is involved in the ownership.

FO-122624

4721

CIIN 3888

1/29/88

WARNING NOTICE INTELLIGENCE SOURCES OR METHODS INVOLVED

SECRET



UNCLASSIFIED

~~TOP SECRET~~

NATIONAL SECURITY COUNCIL
WASHINGTON DC 20508

11005

~~TOP SECRET~~ SENSITIVE
INFORMATION

May 14, 1986

23-129

MEMORANDUM FOR JOHN M. POINDEXTER

Partially Declassified/Released on 22 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

FROM: VINCENT M. CANNISTRARO

SUBJECT: Agenda for Your Weekly Meeting With the DCI,
Thursday, May 15, 1986

You are scheduled to meet with Director Casey and Deputy Director Gates in your office at 5:00 p.m. on Thursday, May 8, 1986. The following items are on the agenda, according to the DCI's staff:



~~TOP SECRET~~ SENSITIVE
Declassify on: OADR

UNCLASSIFIED

N 43471

1192

~~TOP SECRET~~

UNCLASSIFIED

[REDACTED]

-- Status of Ollie's Ship. Ollie has offered the use of a Danish vessel for [REDACTED]. He first offered CIA a six month lease. CIA told me that they thought it was too expensive, and the cost and time involved in refitting the vessel for a [REDACTED] mission made the alternative option of outfitting a CIA owned vessel more attractive. Ollie then offered to take [REDACTED]

[REDACTED] from his vessel, using his own resources [REDACTED] has told me that because of the alleged involvement of one Tom Cline (who was involved in Wilson and Terpil era), CIA will have nothing to do with the ship. Frankly, I can't tell whether this is just a convenient reason not to do what CIA was opposed to doing in the first place, or whether the concern about Cline is legitimate. In any event, Casey has a briefing paper on this which he will use if the subject is raised.

You may wish to raise the following item:

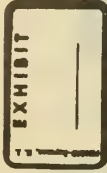
[REDACTED]

UNCLASSIFIED

N 43472

TOP SECRET [REDACTED]

Chapter 23
PN # 130



ER 004
0021

97 Kohenhaym
Tel: 01-131415

23-130

UNCLASSIFIED

4722

109 DV

Month	Day	Event
Januar	1	CASHBLANKE
Januar	2	Nide
Januar	3	CASHBLANKE
Januar	4	
Januar	5	
Januar	6	Hilly 3 longer VIANDO DI CASIELLO
Januar	7	VIANDO DI CASIELLO
Januar	8	
Januar	9	
Januar	10	
Januar	11	
Januar	12	
Januar	13	
Januar	14	FZIBO CRASSEN
Januar	15	
Januar	16	
Januar	17	GLYKSTAD RED
Januar	18	GLYKSTAD RED
Januar	19	
Januar	20	
Januar	21	
Januar	22	
Januar	23	
Januar	24	
Januar	25	
Januar	26	
Januar	27	
Januar	28	
Januar	29	
Januar	30	
Januar	31	
Februar	1	
Februar	2	
Februar	3	
Februar	4	
Februar	5	
Februar	6	
Februar	7	
Februar	8	
Februar	9	
Februar	10	
Februar	11	
Februar	12	
Februar	13	
Februar	14	
Februar	15	
Februar	16	
Februar	17	
Februar	18	
Februar	19	
Februar	20	
Februar	21	
Februar	22	
Februar	23	
Februar	24	
Februar	25	
Februar	26	
Februar	27	
Februar	28	
Februar	29	
Februar	30	
Februar	31	
Marts	1	
Marts	2	
Marts	3	
Marts	4	
Marts	5	
Marts	6	
Marts	7	
Marts	8	
Marts	9	
Marts	10	
Marts	11	
Marts	12	
Marts	13	
Marts	14	
Marts	15	
Marts	16	
Marts	17	
Marts	18	
Marts	19	
Marts	20	
Marts	21	
Marts	22	
Marts	23	
Marts	24	
Marts	25	
Marts	26	
Marts	27	
Marts	28	
Marts	29	
Marts	30	
Marts	31	
April	1	
April	2	
April	3	
April	4	
April	5	
April	6	
April	7	
April	8	
April	9	
April	10	
April	11	
April	12	
April	13	
April	14	
April	15	
April	16	
April	17	
April	18	
April	19	
April	20	
April	21	
April	22	
April	23	
April	24	
April	25	
April	26	
April	27	
April	28	
April	29	
April	30	
April	31	
Mai	1	
Mai	2	
Mai	3	
Mai	4	
Mai	5	
Mai	6	
Mai	7	
Mai	8	
Mai	9	
Mai	10	
Mai	11	
Mai	12	
Mai	13	
Mai	14	
Mai	15	
Mai	16	
Mai	17	
Mai	18	
Mai	19	
Mai	20	
Mai	21	
Mai	22	
Mai	23	
Mai	24	
Mai	25	
Mai	26	
Mai	27	
Mai	28	
Mai	29	
Mai	30	
Mai	31	
Juni	1	
Juni	2	
Juni	3	
Juni	4	
Juni	5	
Juni	6	
Juni	7	
Juni	8	
Juni	9	
Juni	10	
Juni	11	
Juni	12	
Juni	13	
Juni	14	
Juni	15	
Juni	16	
Juni	17	
Juni	18	
Juni	19	
Juni	20	
Juni	21	
Juni	22	
Juni	23	
Juni	24	
Juni	25	
Juni	26	
Juni	27	
Juni	28	
Juni	29	
Juni	30	
Juni	31	

UNCLASSIFIED

1961

UNCLASSIFIED

Jurance)

ER 0022

NY postaddr: Postboks 2222, Høllens Kanal, 097 København K, Tlf. 01-131415

July

~~30.00~~
 28
 29
 30
 31
 1
 2
 3
 4
 5
 6
 7
 8
 9
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25
 26
 27
 28
 29
 30
 31

August

STOP
 32
 33
 34
 35
 36
 37
 38
 39
 40
 41
 42
 43
 44
 45
 46
 47
 48
 49
 50
 51

September

38
 39
 40
 41
 42
 43
 44
 45
 46
 47
 48
 49
 50
 51

October

49
 50
 51
 52
 53
 54
 55
 56
 57
 58
 59
 60
 61
 62
 63
 64
 65
 66
 67
 68
 69
 70
 71
 72
 73
 74
 75
 76
 77
 78
 79
 80
 81
 82
 83
 84
 85
 86
 87
 88
 89
 90
 91
 92
 93
 94
 95
 96
 97
 98
 99
 100

November

47
 48
 49
 50
 51
 52
 53
 54
 55
 56
 57
 58
 59
 60
 61
 62
 63
 64
 65
 66
 67
 68
 69
 70
 71
 72
 73
 74
 75
 76
 77
 78
 79
 80
 81
 82
 83
 84
 85
 86
 87
 88
 89
 90
 91
 92
 93
 94
 95
 96
 97
 98
 99
 100

December

49
 50
 51
 52
 53
 54
 55
 56
 57
 58
 59
 60
 61
 62
 63
 64
 65
 66
 67
 68
 69
 70
 71
 72
 73
 74
 75
 76
 77
 78
 79
 80
 81
 82
 83
 84
 85
 86
 87
 88
 89
 90
 91
 92
 93
 94
 95
 96
 97
 98
 99
 100

UNCLASSIFIED

UNCLASSIFIED
PANAMA

DIARIO OFICIAL DE NAVEGACION
 OFFICIAL LOG BOOK

2546

Attachment 2

ER 0023



República de Panamá
 Ministerio de Hacienda y Tesoro
 Dirección General Consular y de Naves,
 P.O. Box 5245,
 Panamá 5,
 República de Panamá.
 Tel: 271166 PANAMA
 Tlx: 2537 SECAVES

Buque (vessel) *ERIKH*

Del (from) *9/15/1986* al (to) *1/19*

Cubre Viajes Nos. (Covering Voyage Numbers)

UNCLASSIFIED

Sección 3c: POSICIONES DEL BUQUE Y CONDICIONES METEOROLÓGICAS
 Section 3c: AT SEA POSITIONS AND WEATHER

Fecha Date	Posición al Mediodía Noon Position		Vel pro medio 24 hrs Av spd 24 hrs	Vientos Wind		Cond del Mar		Mar de Leva Swell		UNCLASSIFIED
	Latitud Latitude	Longitud Longitude		Direc- ción Dir	Fuerza Force	Sea cond	Direc- ción Dir	Altura Height	UNCLASSIFIED	
10/5	54°37'N	10°28'W	6.8	SE	4	1	SE	0	Obs.	
11'	53°48'N	06°55'W	8	SV	4	4	SV	1/2	Obs.	
12'	53°00'N	04°10'W	7	SSV	4	4	SSV	1'	Obs.	
13'	51°58'N	02°32'W	7	SV	5	5	SV	1	Obs.	
14'	48°57'N	04°56'W	7	SV	6	6	SV	1	Obs.	
15'	46°25'N	07°16'W	8	NW	3	3	NW	2	Obs.	
16'	43°43'N	09°17'W	8	SW	3	3	SW	3	Obs.	
17'	40°14'N	09°47'W	8	SW	4	4	SW	4	Obs.	
18'	36°48'N	08°27'W	9	SV	1	1	SW	1	Obs.	
19'	36°07'N	03°49'W	10	E	1	1	E	1	Obs.	
20'	36°08'N	02°36'W	10	E	1	1	E	1	Obs.	
21'	37°10'N	06°06'W	10	E	2	2	E	1/2	Obs.	
22'	37°13'N	10°53'W	10	E	2	2	E	1/4	Obs.	
23'	36°18'N	15°58'W	10	V	2	2	V	1/4	Obs.	
24'	35°00'N	20°30'W	10	V	1	1	V	0	Obs.	
25'	34°55'N	24°00'W	10	0	0	0	0	0	Obs.	
26'	32°40'N	27°38'W	9	NV	4	4	NV	0	Obs.	
27'	32°10'N	31°23'W	9	-	1	1	-	0	Obs.	
28'	32°00'N	34°00'W	9	NV	2	2	NV	0	Obs.	
29'	LARNACA.		8	0	0	0	0	0	Obs.	
30'	-	-	-	-	-	-	-	-	Obs.	
31'	-	-	-	-	-	-	-	-	Obs.	
1/6'	-	-	-	-	-	-	-	-	Obs.	
2'	-	-	-	-	-	-	-	-	Obs.	
3'	-	-	-	-	-	-	-	-	Obs.	
4'	-	-	-	-	-	-	-	-	Obs.	
5'	-	-	-	-	-	-	-	-	Obs.	

Se deberá hacer un asiento al mediodía de cada día que el buque se encuentre en navegación.

An entry is to be made on every day the vessel is at sea at noon

Seccion 3c. POSICIONES DEL BUQUE Y CONDICIONES METEOROLOGICAS

Section 3c: AT SEA POSITIONS AND WEATHER

Fecha Date	Posición al Mediodía Noon Position		Vel pro medio 24 hrs Av spd 24 hrs	Vientos Wind		Cond del Mar		Mar de Leva Swell		UNCLASSIFIED Master
	Latitud Latitude	Longitud Longitude		Direc- ción Dir	Fuerza Force	Sea cond	Direc- ción Dir	Altura Height		
6'	LANNACA			V	1	0	N	0	Red.	
6'	34°36'	30°20'E	9	V	1	1	V	1'	Red.	
7'	34°44'	28°18'E	9	E	1	1	E	1	Red.	
8'	35°10'	21°18'E	9	S	1	1	S	1	Red.	
9'	35°53'	17°10'E	8 1/2	N	1	1	N	1	Red.	
10'	36°43'	13°29'E	9	NV	3	3	NV	1	U.S.	
11	37°20'	09°00'	9	NV	4	4	NV	1	Red.	
12	CAGLIARI			trans.	Kicakgalede.				U.S.	
13	÷ CAGLIARI	16°	NY	4	4	NV	1	Red.		
14'	38°06'	06°06'	9	NV	4	4	NV	1	U.S.	
15'	37°21'	01°30'	9	NV	2	2	NV	1'	U.S.	
16'	36°31'	03°15'V	9	0	0	0	0	0	Red.	
17'	36°26'	07°23'V	9	-	-	-	-	-	Red.	
18	37°06'	09°01'V	6	NV.	6	6	NV	3'	Red.	
19'	SETCIBAL									
20'										
21										
22										
23										
24'										
25'										
26	41°13'	09°25'	9	Sφ	4	4	Sφ	3	U.S.	
27	44°40'	08°10'V	2	Sφ	2	2	Sφ	1	Red.	
28'	48°00'	05°36'V	9	Nφ	2	2	Nφ	1	Red.	
29'	50°09'	01°25'V	9	Nφ	3	3	Nφ	1	U.S.	
30'	51°50'	02°05'V	9	Nφ	3	3	Nφ	1	Red.	
1'	54°05'	07°15'φ	9	Nφ	3	3	Nφ	1	Red.	

Se debiera hacer un asiento al mediodía de cada día que el buque se encuentre en navegación
An entry is to be made on every day the vessel is at sea at noon

Sección 3c: POSICIONES DEL BUQUE Y CONDICIONES METEOROLÓGICAS
 Section 3c: AT SEA POSITIONS AND WEATHER

Fecha Date	Posición al Mediodía Noon Position		Vel pro medio 24 hrs Av spd 24 hrs	Vientos Wind		Cond del Mar			Captain Master
	Latitud Latitude	Longitud Longitude		Direc- ción Dir	Fuerza Force	Sea cond	Direc- ción Dir	Altura Height	
2'	57°30'	09°00'	9	NV	4	4	NV	1	Albery
3'	+ COPENHAGEN:								
4'		-							
5'		-							
6'		-							
7'		-							
8'		-							
9'	÷ COPENHAGEN, 13°35' TO STEIN. Cold								
10'	+ STEIN (TOLEN) 0815								
11'	÷ ÷ 20°00' TO SEIBALL Cold								
12'	54°35'	12°30'	9	NV	6	6	NV	6	Albery
13'	PASS IN THE KIEL CANAL.								
14'	53°32'	04°46'	9	N	1	1	N	1	Alb
15'	50°57'	01°13'	9	N	1	1	N	1	Alb
16'	49°18'	04°13'	9	SV	1	1	SV	1	Alb
17'	46°10'	07°12'	9	N	5	5	N	5	Alb
18'	42°56'	09°23'	9	N	6	6	N	6	Alb
19'	39°10'	09°26'	4	N	5	5	N	5	Alb
19'	Arrived Seiball Haven Pt. 20°35'								
20'									
21'	Seiball								
22'	Seiball								
23'	÷ Seiball Pt. 17°45'								
24'	38°04'	12°50'	9	N	5	5	N	2	Albery
25'	37°26'	17°00'	9	N	4	4	N	2	Albery
26'	37°00'	21°20'	9	N	3	3	N	1	Alb
27'	36°05'	26°09'	9	N	3	3	N	1	Alb

Se debiera hacer un asiento al mediodía de cada día que el buque se encuentre en navegación
 An entry is to be made on every day the vessel is at sea at noon

Seccion 3c: POSICIONES DEL BUQUE Y CONDICIONES METEOROLÓGICAS
 Section 3c: AT SEA POSITIONS AND WEATHER

ER 0027

Firm SIGNATURES

UNCLASSIFIED

Fecha Date 047	Posición al Mediodía Noon Position		Vel pro medio (24 hrs) Av spd 24 hrs	Vientos Wind		Cond del Mar	Mar de Leva Swell		Firma SIGNATURES
	Latitud Latitude	Longitud Longitude		Direc- ción Dir	Fuerza Force		Sea cond	Direc- ción Dir	
28/8									
29/8									
30/8									
31/8									
01/8									
02/8									
03/8									
04/8									
05/8									
06/8									
07/8									
08/8									
09/8									
10/8									
11/8									
12/8									
13/8									
14/8									
15/8									
15/8	34°16'	34°28'	9	NE	2	2	E	2	
16/8									
17/8									
18/8	27°23'	34°10'E	9	N	6	6	N	6	
19/8	24°09'	36°24'E	9	N	2	2	N	2	
20/8	20°59'N	38°19'E	9	N	1	1	N	1	
21/8	18°12'N	40°48'E	6	SE	6	6	SE	1	
22/8	16°15'	41°22'	7	S	7	7	S	7	
23/8	14°12'	42°10'	8	S	8	8	S	7	
24/8	12°57'	43°19'	8	S	8	8	S	3	
25/8	13°04'N	46°25'	1	NE	1	1	NE	1	
26/8	14°20'N	49°30'	1	SE	1	1	SE	1	
27/8	15°54'	50°38'	2	E	2	2	E	2	
28/8	17°50'	52°00'	2	SV	2	2	SV	1	
29/8	21°00'N	50°02'	1	NO	1	1	NO	1	
30/8	23°55'	58°20'	1	NO	1	1	NO	1	
31/8									

UNCLASSIFIED

01/8/5

An entry is to be made on this form by the vessel at sea at noon

Sección 3c: POSICIONES DEL BUQUE Y CONDICIONES METEOROLÓGICAS 028
 Section 3c: AT SEA POSITIONS AND WEATHER

 UNCLASSIFIED
 ST. PETERSBURG
 AMERICAN
 ST. COLUMB

Fecha Date	Posición al Mediodía Noon Position		Vel pro medio (24 hrs) Av spd 24 hrs	Vientos Wind		Cond del Mar Sea cond		Mar de Leva Swell		Master
	Latitud Latitude	Longitud Longitude		Dirección Dir	Fuerza Force	Dirección Dir	Altura Height			
28/7	32°30'N	30°35'W	9	Ø	1	Ø	Ø	1	Acting	
29	32°40'	30°30'W	9	Ø	1	Ø	Ø	1	Acting	
30	32°40'N	30°00'W	9	SØ	1	SØ	Ø	1	Acting	
31	31°05'N	43°00'W	9	Ø	1	Ø	Ø	1	Acting	
1/8	29°22'N	47°10'W	9	Ø	4	Ø	Ø	1	Acting	
2/8	28°05'N	50°01'W	2	Ø	5	Ø	Ø	5'	Acting	
3/8	28°00'N	50°50'W	2	Ø	5	Ø	Ø	5'	Acting	
4/8	28°28'N	48°56'W	5	ØSØ	4	ØSØ	ØSØ	4	Acting	H. H. H. H.
5	30°04'N	46°10'W	6	Ø	2	Ø	Ø	2	Acting	
6	31°02'N	43°20'W	6	NØ	4	4	NØ	4	Acting	
7	32°05'N	40°20'W	6	NØ	2	2	NØ	2	Acting	
8	33°07'N	37°10'W	6	Ø	Ø	1	Ø	Ø	Acting	
9	34°00'N	33°54'W	6	NØ	2	2	NØ	2	Acting	
10	35°00'N	30°30'W	6	NØ	1	1	NØ	1	Acting	
11	36°00'N	26°50'W	10	Ø	2	2	Ø	2	Acting	FF.
12	36°49'N	22°30'W	9.5	Ø	Ø	Ø	Ø	Ø	Acting	
13	37°35'N	18°00'W	9.3	V	3	3	V	3	Acting	
14	37°00'N	18°30'W	9.5	V	3	3	V	3	Acting	
15	Rend of SETUBAL: 12 ⁵⁵									
16										
17	UNCLASSIFIED									
18										
19	TO ANCHOR ROAD									
20										
21	SETUBAL ROAD									
22										
23										

Se deberá hacer un asiento al mediodía de cada día que el buque se encuentre en navegación.

An entry is to be made on every day the vessel is at sea at noon.

Seccion 3c: POSICIONES DEL BUQUE Y CONDICIONES METEOROLOGICAS
 Section 3c: AT SEA POSITIONS AND WEATHER

ER

0029

Fecha Date	Posición al Mediodía Noon Position		Vel pro medio 24 hrs Av spd 24 hrs	Vientos Wind		Cond del Mar	Mar de Leve Swell		Firma SIGNATURES
	Latitud Latitude	Longitud Longitude		Direc- ción Dir	Fuerza Force		Direc- ción Dir	Altura Height	
24'	37° 00'	0800							
28/8'	36° 40'	0800	9	OND	2	Ø	NØ	1	Acting
30'	-	-	-	-	-	-	-	-	Acting
31-7/9	Cidqueras Road		at 1100		W/S				
8	36° 10'	0600W	7	N	2	N	N	2	Acting
8-9	Cidqueras Road		1600		W/S				
10'	36° 25'	0925W	9	N	1	1	N	1	Acting
11'	44° 29'	0815W	8	SB	2	2	SB	2	Acting
12'	48° 00'	0540W	7	NØ	5	5	NØ	5	Acting
13'	44° 25'	0320W	8	ØSB	8	8	ØSB	8	Acting
13-20									Acting
21'	49° 02'	0443W	9	Ø	Ø	Ø	Ø	Ø	Acting
22'	42° 15'	0924W	9	NØ	4	4	4	4	Acting
23'	38° 28'	0926W	9	Ø	Ø	Ø	Ø	Ø	Acting
24'	35° 20'	0710W	9	Ø	Ø	Ø	Ø	Ø	Acting
25'	36° 17'	0158W	10	N	3	3	3	3	Acting
26'	36° 34'	0038Ø	10	N	2	2	2	2	Acting
27'	36° 51'	0934Ø	10	Ø	2	2	2	2	Acting
28'	37° 15'	0755Ø	9	Ø	1	1	Ø	1	Acting
29'	36° 55'	1224Ø	9	Ø	7	7	Ø	7	Acting
30	38° 15'	1410Ø	9	Ø	4	4	Ø	4	Acting
1 Oct.	37° 06'	1750Ø	5	N	5	5	Ø	5	Acting
2	35° 50'	2123Ø	9	Ø	1	1	Ø	1	Acting
3	34° 50'	2440Ø	8	N	8	7	N	7	Acting
4	34° 42'	2905Ø	8	NW	2	2	NW	2	Acting
5	LIMAS SOL RED		1130	Ø	1	SE	1		Acting
6 Oct.									Acting

Se debe registrar la posición del buque y las condiciones meteorológicas a las 1200 horas.
 An entry is to be made at noon at noon

UNCLASSIFIED

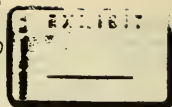
Sección 3c: POSICIONES DEL BUQUE Y CONDICIONES METEOROLÓGICAS
 Section 3c: AT SEA POSITIONS AND WEATHER

ER 0070

Fecha Date	Posición al Mediodía Noon Position		Vel. pro medio 24 hrs Av spd 24 hrs	Vientos Wind		Cond del Mar Sea cond	Mar de Leva Swell		Observaciones Remarks
	Latitud Latitude	Longitud Longitude		Direc- ción Dir	Fuerza Force		Direc- ción Dir	Altura Height	
1/11 - 2/12				FC	JAY	RA	AL	ROAD.	Obs
2/12	23° 55'	58° 22'	8	SP	4	4	SP	1'	Obs
4/12	23° 21' N	59° 24' E	8	SP	2	2	SP	1'	Obs
5'	18° 19' N	47° 24' E	8	NP	2	2	NP	1'	Obs
6'	16° 20' N	54° 31' E	8	NP	1	1	NP	1'	Obs
7'	15° 05' N	51° 29' E	8	S	1	1	S	1	Obs
8'	13° 50' N	48° 28' E	8	SE	3	3	SE	1	Obs
9'	12° 58' N	45° 07' E	8	Ø	1	1	Ø	1	Obs
10'	14° 38' N	42° 25' E	8	S	1	1	S	1	Obs
11'	17° 30' N	40° 30' E	8	NV	1	1	NV	1	Obs
12'	20° 00' N	38° 50' E	8	NV	4	4	NV	4	Obs
13'	22° 44' N	37° 14' E	8	NV	3	3	NV	3	Obs
14'	28° 00' N	35° 00' E	4	NV	6	6	NV	6	Obs
15'	27° 36' N	34° 34' E	5	NV	6	6	NV	6	Obs
16'	27° 40' N	33° 00' E	6	NP	6	6	NP	6	Obs
17'	27° 50' N	33° 43' E	2	NV	2	2	NV	2	Obs
18'	Fuez Rides Kauer								Obs
19'	N.	E.	-						Obs
20'	32° 58'	32° 54'	6	V	6	6	V	6	Obs
21'	33° 20'	30° 40'	8	V	8	8	V	8	Obs
22'	34° 10'	28° 20'	4	SV	7	7	SV	7	Obs
23'	35° 24'	25° 30'	4	SV	7	7	SV	7	Obs
24'	35° 50'	21° 20'	Ø	Ø	7	7	Ø	7	Obs
25'	35° 40'	18° 20'	3	NNV	9	9	NNV	9	Obs
26'	36° 23'	15° 00'	3	NP	6	6	NP	6	Obs
27'	36° 45'	11° 20'	2	NV	8	8	NV	8	Obs
28'	36° 50'	11° 50'	2	NNV	9	9	NNV	9	Obs

Se deberá hacer un asiento al mediodía de cada día que el
 buque opere en navegación.
 An entry must be made in the log at noon if the vessel is at sea at noon.

UNCLASSIFIED

UNCLASSIFIED*ch 23
#130*PAGE 14, ERRIA LOG BOOK

May 23, 1986	36° 8' N 15° 58' W	ER 0031
May 24, 1986	25° 0' N 20° 30' E	
May 25, 1986	34° 55' N 24° 0' E	
May 26, 1986	32° 40' N 27° 38' E	
May 27, 1986	32° 10' N 31° 23' E	
May 28, 1986	34° 0' N 34° 0' E	
May 29, 1986	Noon - Narnaca, Cyprus	

UNCLASSIFIED

1-29-88

4723

23-133

CLASSIFIED AT TIME OF PUBLICATION.

UNCLASSIFIEDC. P. E. 23 FN*135
SC 0400LAW OFFICES
SHARP, GREEN & LANKFORD
1800 MASSACHUSETTS AVENUE N.W.
WASHINGTON, D.C. 20036**23-135**JAMES E. SHARP
THOMAS C. GREEN
VICTOR M. LANKFORD, JR.
STEVEN M. JOHNSON
BARBARA STRAUGHN HARRIS
MARK M. KATZ
ROBERT L. VOGEL

August 18, 1987

TELEPHONE
202 859-2400
TELETYPE 202 296-249
TELEX 697 4605 5000MEMBER OF PA BAR ONLY
MEMBER OF NY & NJ BAR ONLYArthur Liman, Esq.
Counsel to U.S. Senate Select
Committee on Secret
Military Assistance to Iran
and the Nicaraguan Oppos.
901 Hart Senate Office Bldg.
Washington, DC 20510John W. Nields, Jr., Esq.
Counsel to U.S. House Select
Committee to Investigate
Covert Arms Transactions
with Iran
Room H419, United States Capitol
Washington, DC 20510

Gentlemen:

On behalf of Richard V. Secord, I am writing to correct certain aspects of his testimony given under oath at the last deposition session, at which both of you were in attendance. I am sorry that I can no longer supply the precise date of that session.

Mr. Secord was asked to acknowledge that he had been advised concerning a potential conflict of interest on the part of the undersigned arising out of the undersigned's refusal to answer inquiries from the Office of Independent Counsel about a specific incident which arose during the time the undersigned represented both Lieutenant Colonel Oliver North and Mr. Secord.

Mr. Secord replied that he had been independently advised concerning this matter, and he confirmed his insistence that the undersigned remain as his counsel. At the time of his answer, Mr. Secord had had conversations with other attorneys in my office concerning this matter, but, as I explained to Mr. Secord following the deposition session, those consultations could not be deemed to be with separate and unrelated counsel.

Since that time Mr. Secord did retain and did consult with separate and unrelated counsel to explore all the ramifications surrounding the potential conflict of interest issues. Since receiving this independent advice, his decision remains the same. However, I thought it prudent to write you and to clarify what I think may be some confusion in the

UNCLASSIFIED

4724

SHARP GREEN & LANKFORD

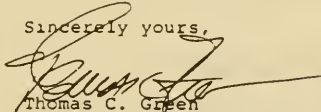
SC 04062

UNCLASSIFIED

August 18, 1987
Page 2

record. Accordingly, I ask that you consider this letter as supplementation to, or correction of, Mr. Secord's previous testimony.

Sincerely yours,



Thomas C. Green
Attorney for Richard V. Secord

Seen and Agreed to:


Richard V. Secord

18 Aug 1987
Date

UNCLASSIFIED

LAW OFFICES
SHARP, GREEN & LANKFORD
1800 MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20036

SC 04005

JAMES E. SHARP
THOMAS C. GREEN
V. THOMAS LANKFORD, JR.
STEVEN M. JOHNSON
BARBARA STRAUGHN HARRIS
MARK M. KATZ &
ROBERT L. VOGEL -

UNCLASSIFIED

August 20, 1987

TELEPHONE
202 659-2400
TELECOPIER 202 296-249
TELEX 697 4605 SGLDC

* MEMBER OF PA BAR ONLY
* MEMBER OF NY & NJ BAR ONLY

HAND DELIVERED

The Honorable Lee H. Hamilton
Permanent Select Committee on
International Affairs
U.S. House of Representatives
United States Capitol
Room H405
Washington, DC 20515

The Honorable Daniel K. Inouye
Chairman, U.S. Senate Select
Committee on Secret Military
Assistance to Iran and the
Nicaraguan Opposition
901 Hart Senate Office Building
Washington, DC 20515

Gentlemen:

On behalf of Richard V. Secord, I am writing to correct and comment on certain testimony taken before the Select Committees and to respond to certain statements made by various members of the Committees which misrepresent the facts and portray my client and his conduct in a false and underserved light. In view of the effort undertaken by various members of the Committees to discredit General Secord and the attempts to impeach portions of his testimony, we feel it fair and appropriate that this letter and the accompanying exhibits be made a part of the official record of investigation; and we formally request such relief.

General Secord was the first witness called to give public testimony. His appearance before the Committees followed countless hours of debriefing during which he patiently and with great accuracy recited the facts and

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987.
Page 2

SC 0400-
UNCLASSIFIED

circumstances surrounding the operational details of the Contra supply operation and the Iranian initiative. It is only fair for the Committees to acknowledge that the information provided by General Secord was of critical importance and of invaluable assistance to the progress of the investigation. It should also be noted that General Secord ultimately succumbed to the entreaties of both Chief Counsel who largely induced his voluntary testimony by appeals to General Secord's sense of duty, service and responsibility to his country and the Congress.

General Secord was prepared for tough questions and tough criticism. But in light of the way his testimony was procured, we were not prepared for unfair criticism or for the technique employed by some interrogators of using false information to prompt derogatory comments about General Secord from other witnesses. When, from time to time, we contacted the staff to tender correct information and corroborating data we were usually thanked, but never vindicated. All the misinformation has been permitted to linger, and the record requires and deserves correction.

Several Senators were effusive in their use of the term "profiteer" when making reference to General Secord. We start from the rather basic proposition that every man is entitled to make a living. General Secord devoted two years to the Iran/Contra projects at the expense of virtually all other

UNCLASSIFIED

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987.
Page 3

business pursuits. During that time he received a salary of \$6000 per month. The amount is hardly excessive.

Albert Hakim acknowledged in his testimony on June 3, 1987, that he accumulated profits from arms sales for the benefit of General Secord in an account known as Korel Assets even though General Secord forswore any such remuneration. None of the accumulated profits were ever distributed to General Secord, a fact confirmed by House Counsel, Mr. Nields, when he stated publicly on June 3rd that:

I think the record should reflect that unlike some of these other accounts, we have been able to determine no withdrawals from the Korel Assets account as of this date.

A great deal of time and attention was devoted by members of the Committees in examining the profit earned on arms transactions. The frenzy to portray these sales as generating exorbitant profit came close to overshadowing what should have been the more important issues. General Secord testified that the gross profit on arms sales ranged from between 20 percent to 30 percent. That markup was and is extremely reasonable, and the merchandise delivered was unquestionably of high quality. When General Singlaub appeared some members again attempted to use his testimony to criticize General Secord's efforts through a supposed comparison of the prices charged by each. The comparison was nonsense and the equivalent of an apple and orange exercise. We demonstrated

UNCLASSIFIED

UNCLASSIFIED

SC 0408

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987.
Page 4

all of this in a letter I wrote to the Committees on May 26, 1987. A copy of my letter is attached hereto for your convenience. Additionally, we supplied the staff with an "Arms Sales Profit Analysis" memo which was nothing more than an exercise in basic arithmetic confirming the profit margins testified to. A copy of this document is also attached. It is our belief that the staff has now been able to confirm the basic accuracy of our figures. Finally, I note the testimony of General Secord's customer, Mr. Calero, who acknowledged in his testimony on May 20, 1987, that General Secord's prices for ammunition and FAL type rifles were extremely reasonable and about 50 percent less than what this government was charging the witness for the same items.

Although General Secord never withdrew money from his so-called profit account and although he attempted no movement or secreting of funds during the days when these operations were on the brink of public disclosure, the notion was born and nurtured by several members of the Committees that the residual funds were accumulated and preserved principally because of devious profit motives, all of which worked to the unfortunate detriment of the Contras. This is a pernicious and particularly offensive allegation.

Funds were on hand when these transactions terminated simply because the ongoing operations were aborted. General Secord was saddled with the responsibility to preserve and

UNCLASSIFIED

SHARP, GREEN & LANKFORD

UNCLASSIFIED

SC 04667

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987,
Page 5

allocate funds in response to a number of real and anticipated needs. This required a continuing assessment of priorities and the need to reserve against contingencies known and unknown. General Secord delivered to the Committees long ago most of his original, contemporaneous worksheets which reflect his decisional process. None of this material was contrived, and no one has been silly enough to suggest otherwise. Even a cursory review of this material will demonstrate that General Secord intended that the residual funds were to be devoted to operations.

Rather than burden this letter with a detailed summary of General Secord's testimony, I have included an extrapolation from the documents he provided, which is essentially a series of "snapshots" which capture the process of allocation over time in 1986.

FUNDS AVAILABLE AND ANTICIPATED DISBURSEMENTS

- A. Early February, 1986 -- \$87,000 available. Several million dollars required to carry through with the Central American airlift project.

UNCLASSIFIED

SHARP, GREEN & LANKFORD

UNCLASSIFIED

SC 0400

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987,
Page 6

B. Early March, 1986 -- \$6 million available. \$2-4 million required for aircraft hull self-insurance per Israeli demand.*

C. Estimated disbursements for March and April, 1986, included the following:

Israeli Air Force	\$ 150,000
Costa Rica Air Strip	
Project (Contra)	150,000
Defex (Contra)	2,360,000
Aircraft Procurement (Contra)	1,000,000
Salaries (Contra)	50,000
Contra Medical Expenses	50,000
Initial Blowpipe	
Procurement (Contra)	200,000
Fenced Insurance	
Fund (Contra)	<u>200,000</u>
	\$4,160,000**

* We are confident that the Israelis will confirm this requirement.

** Does not include what by this time is a \$4 million hull insurance fund.

UNCLASSIFIED

SHARP GREEN & LANKFORD

UNCLASSIFIED

SC 04007

The Honorable Lee H. Hamilton and
 Daniel K. Inouye
 August 20, 1987
 Page 7

D. April 1, 1986 -- \$5 million available. Estimated
 disbursements for April, May and June, 1986,
 included:

Aircraft Operations and	
Maintenance (Contra)	\$ 650,000
Israeli Air Force	150,000
Communications Procurement	
(Contra)	100,000
Initial Blowpipe Procurement	
(Contra)	350,000
Medical Supplies and Local	
Operations at [REDACTED]	
(Contra)	45,000
Southern Air Transport	
(Contra)	120,000
Salaries (Contra)	72,000
Defex (Contra)	2,200,000
Israeli TCW's	<u>822,000</u>
	\$4,509,000*

* Does not include what by this time is a \$4 million hull insurance fund.

UNCLASSIFIED

UNCLASSIFIED

50 040 11

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
 Daniel K. Inouye
 August 20, 1987,
 Page 8

E. End April -- \$4 million available. \$4 million needed
 for hull insurance reserve. Estimated disbursements
 through June included:

Defex (Contra)	\$ 280,000
Aircraft Operations and Maintenance (Contra)	650,000
Three British Air Crewmen (Contra)	110,000
Blowpipe Procurement (Contra)	1,000,000
Salaries (Contra)	72,000
Israeli TOW's	822,000
Costa Rica Air Field (Contra)	60,000
SAT (Contra)	55,000
Insurance Fund Fenced (Contra)	200,000
C123 Spare Parts (Contra)	200,000
Israeli Air Force	<u>185,000</u>
	\$3,634,000*

* Does not include what by this time is a \$4 million hull insurance fund.

UNCLASSIFIED

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
 Daniel K. Inouye
 August 20, 1987
 Page 9

F. Early June, 1986 -- Hull insurance requirement still in effect. \$13 million available. Estimated disbursements through July, 1986, included:

Refund demanded by

Ghorbanifar \$15,000,000

Airlift Operations and

Maintenance through

July (Contra) 500,000

Salaries through July (Contra) 90,000

Israeli Air Force 240,000

Costa Rica Airfield Completion 100,000

Shipload of Munitions (Contra -

for delivery in August 3,300,000

Insurance Fund Fenced (Contra) 200,000

Aircraft Procurement

(Contra) 500,000

\$19,930,000*

G. July 1, 1986 -- \$12 million available. \$2 million still needed for hull insurance. Ghorbanifar claims

* Does not include what by this time is a \$4 million hull insurance fund.

UNCLASSIFIED

SHARP, GREEN & LANKFORD

UNCLASSIFIED

SC 040,

The Honorable Lee H. Hamilton and
 Daniel K. Inouye
 August 20, 1987,
 Page 10

\$10 million owed to him. Estimated disbursements
 through August, 1986, included:

Refund demanded by	
Ghorbanifar	\$10,000,000
Airlift Operation and	
Maintenance, July and	
August (Contra)	500,000
Salaries, July and August	
(Contra)	90,000
Insurance Fund Fenced (Contra)	200,000
Secure Communications	
Equipment (Iran)	120,000
Ship, Erria, Operations	
(Contra)	150,000
Shipload Munitions (Contra)	<u>2,200,000</u>
	\$13,260,000*

H. Early August, 1986 -- \$9 million available.
 Ghorbanifar still claims \$10 million owed to him and
 threatens to expose the operation unless paid.

* Does not include what by this time is a \$2 million
 hull insurance fund.

UNCLASSIFIED

UNCLASSIFIED

S 0 040.

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
 Daniel K. Inouye
 August 20, 1987.
 Page 11

Estimated disbursements through September, 1986,
 included:

Refund to Ghorbanifar	\$10,000,000
Airlift Operations and Maintenance, August and September (Contra)	400,000
Salaries, August and September (Contra)	90,000
Shipping, Erria, Expenses (Contra)	90,000
Insurance Fund Fenced (Contra)	<u>200,000</u>
	\$10,780,000*

Although at the time these operations were disclosed in November, 1986, approximately \$8 million was available, Ghorbanifar still continued to press his claim. During this period General Secord contemplated the purchase of a 707 aircraft and spare parts in connection with implementing the

* Does not include what by this time is a \$4 million hull insurance fund.

UNCLASSIFIED

SHARP, GREEN & LANKFORD

UNCLASSIFIED

SC 04071

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987
Page 12

second channel (\$2-2.5 million), and roughly a million dollars were owed or obligated on account of the following:

Danish ship agent (\$300,000+); Southern Air Transport (\$100,000); death benefits (\$200,000); Swiss Air charter (\$50,000); [REDACTED] bills (\$100,000); Costa Rica real estate bill (\$100,000+) and \$100,000 miscellaneous (including continued funding for the ship Erria).

Planning for the establishment and funding of a permanent European joint venture company to support U.S./Iranian commercial transactions over a several-year period (until such time as the two governments could deal directly with one another) was terminated when these operations were exposed. Israel had concurred in this venture, and it was contemplated that Iran would donate \$20-40 million to the new venture to make it viable. This would include sufficient funds to "forward finance" procurements from the U.S. and from Europe after agreement by U.S. and Iranian government officials as envisioned in the nine-point plan.

The allocation exercise periodically undertaken by General Secord was admittedly based on estimates, but it is against this background of competing claims and demands that he made his decisions to fund the Contras at whatever level circumstances would permit. Ghorbanifar's claims were serious,

UNCLASSIFIED

UNCLASSIFIED

SC 040

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987.
Page 13

and they presented a credible threat to the continuation of operations (although not in General Secord's view in any meaningful legal sense). Contrary to the picture painted at times at the hearings that abundant excess money was available to fund the Contras, funds were expended to support their operations almost always with consequent risk to the continuation of the Iranian operation and to General Secord personally. Had the Contra airlift project not been deemed so vital by General Secord, it might have been suspended or stopped any number of times as a result of other funding requirements.

In the final analysis over \$4 million from the Iranian operation was expended for the benefit of the Contras as a result of General Secord's juggling of his priorities. In view of the fact that General Secord devoted two years of around-the-clock effort to making these projects work, we think it hardly fair to engage in an after-the-fact review of his priority decisions. He was after all, despite contentions to the contrary, acting in furtherance of the policies of this government and with its blessing.

There are a couple of other "money" issues which have been exaggerated to grotesque proportions. In October, 1985, well before the Iran initiative began, General Secord purchased a 1973 Seneca airplane for the approximate sum of \$35,000. The money used to buy the aircraft came from a consulting fee and

UNCLASSIFIED

UNCLASSIFIED

50

0402

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987.
Page 14

was reported as income on General Secord's 1985 tax return. In 1986 General Secord purchased a Porsche automobile for \$31,000. (Porsche never got so much free publicity). General Secord insists that the money to buy the car was borrowed from Albert Hakim, consistent with a pattern of loans made to him in accordance with a 1983 business agreement, which includes yet another loan of \$32,000 for legal fees made by Hakim in February of this year.

We, of course, are not familiar with the personal purchases of members of Congress. It would be interesting (perhaps) to know all about them. But what is so unwholesome or sinister (or of national importance) about buying a Porsche and a 15 year old airplane, and if you insist on linking these acquisitions to the Iran/Contra projects: "where's the beef?" If you add up every dime that found its way to General Secord's pockets which is in any way arguably related to the Iran/Contra projects (even without regard to what it represents), you never get above \$225,000.00. That is hardly an extraordinary sum for two years of work, and it is clearly unworthy of the exploitation attempted by some members of the Committees.

Certain members of the Committees chose (we think deliberately) to ignore confirmed facts in an effort to embarrass General Secord and serve their personal, political agenda. For example, General Secord was accused of using donated funds to purchase Maule aircraft for himself, a

UNCLASSIFIED

SHARP, GREEN & LANKFORD

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987.
Page 15

UNCLASSIFIED

supposed fact which astonished several of the donors during their public testimony and which was presumably designed to elicit similar emotions from the listening audience. The truth is simply that all Maule aircraft were transferred to the Contras; the Committees know that and knew it at the time this charade was played out in public.

Toying with the facts is unbecoming during a congressional investigation, yet it occurred frequently. In interrogating another witness, a Senator asserted that General Secord and Albert Hakim were the owners of East Inc., a company which contracted to provide operations and maintenance services in Central America. The claim is false. Even worse was the Senator's use and manipulation of documents to make it appear that General Secord was charging excessive profits on aircrew salaries. The facts are that the documents used by the Senator did not relate to aircrew salaries and, even more significantly, the documents were not records of any company owned or controlled by General Secord. The language used by the Senator to make his point was downright ugly, and the whole episode was outrageous.

Other members attempted to dance on General Secord's back by asserting that he had no security clearance. Again, the truth is that General Secord held the highest level DOD security clearance until January of 1987. When Felix Rodriguez was called to testify, he was fed a series of leading questions

UNCLASSIFIED

SHARP GREEN & LANKFORD

SC 040,

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987
Page 16

UNCLASSIFIED

(in reality the answers) in an attempt to taint General Secord with the sins of convicted felon Edwin Wilson. Although Rodriguez denied any association with Wilson, it is he, not General Secord, who worked with and for Wilson over an extended period of time. Moreover, when Rodriguez was prompted to criticize the military supplies furnished by General Secord to the Contras, someone was kind enough to expose the fact that Rodriguez's hearsay was based on information from Mario Del Amico, a competitor in the arms supply business.

The attempt by certain members to seize opportunities to link General Secord to Edwin Wilson evolved rather quickly into blatant character assassination. General Secord did know Edwin Wilson long before the time Wilson's legal problems arose. Allegations first raised in 1982 that General Secord (and others) might have been involved in business transactions with Wilson were exhaustively investigated by the Department of Justice for over two years. The investigation of General Secord was ultimately terminated and formally closed for lack of any evidence -- a fact never mentioned by any member during the hearings.

General Secord and his colleagues were also criticized for departing from or misrepresenting United States foreign policy. This claim is absolutely baseless. His dialogue with the Iranians tracked established policy and was based on approved proposals. As the tapes would demonstrate,

UNCLASSIFIED

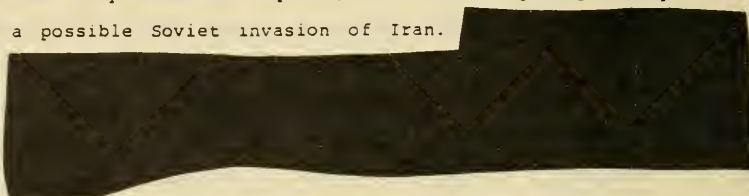
SHARP, GREEN & LANKFORD

UNCLASSIFIED

SC 040

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987
Page 17

General Secord never committed the United States to fighting the Russians in defense of Iran. General Secord knew about, and was qualified to explain, United States policy in regard to a possible Soviet invasion of Iran.



Although other portions of the record are deserving of comment, it is impossible to examine each and every distortion or inaccuracy in a letter such as this. What is important to emphasize is that General Secord was made to pay a very high price for voluntarily coming forward, without immunity, to assist the Congress in its investigation, and, for sure, he is not inclined to answer the phone if his government calls again.

Certain of the immunized witnesses were actually praised for their courage to testify, in contrast to General Secord, whose reputation and integrity were attacked for obvious, partisan purposes. Although this entire experience has been more than slightly bitter for General Secord, he remains confident that he acted appropriately and honestly in the service of his country.

Whether by its treatment of General Secord the Congress has hampered its ability to entice and receive

UNCLASSIFIED

SHARP, GREEN & LANKFORD

UNCLASSIFIED

SC 041.9

The Honorable Lee H. Hamilton and
Daniel K. Inouye
August 20, 1987
Page 18

voluntary testimony from important witnesses is a separate question. Certainly the treatment accorded General Secord could not have been designed to enhance the image of Congress as an impartial and fair investigator.

On behalf of Richard V. Secord, I respectfully request that this letter be entered in the official record of the Committees' investigation.

Sincerely yours,



Thomas C. Green

TCG:jme

attachments

UNCLASSIFIED

LAW OFFICES
SHARP, GREEN & LANKFORD
800 MASSACHUSETTS AVENUE N.W.
WASHINGTON D.C. 20036

SC 0410

JAMES E. SHARP
THOMAS D. GREEN
WILLIAM LANKFORD, JR.
STEPHEN M. JOHNSON
BARBARA STRAUSSMAN PARRIS
WALTER H. KATZ
ROBERT J. WOODLEY

UNCLASSIFIED

May 26, 1987

TELEPHONE
771 616 2411
TELEFAX 771 616 2411
TELETYPE 771 616 2411

MEMBER OF BARBERSHOP
MEMBER OF N.A.A. BARBERSHOP

John W. Nields, Jr. Esq.
Counsel to U.S. House Select
Committee to Investigate Covert
Arms Transactions with Iran
Room H419
United States Capitol
Washington, DC

Dear Messers. Liran and Nields:

I am writing to clear up some confusion which has arisen with respect to the purchase of certain assets for the benefit of the Contras. Three Maule aircraft were transferred to the Contras in 1985 at the direction of Mr. Secord. The first aircraft, tail number N5657H, was titled to NRAF, Inc., 52 Y el Vira Mendez, Panama, RP, in approximately July or August of 1985. This aircraft was previously owned by Mr. Secord and several colleagues. The Contras purchased the aircraft by wire transferring an amount equivalent to the outstanding indebtedness on the plane.

Maule aircraft tail numbers N5661I and N5661J were titled in the name of NRAF, Inc. on September 10, 1985, and on October 29, 1985, respectively. These aircraft were bought at cost from Maule Air, Inc. All three of these aircraft are owned exclusively by the Contras. Mr. Secord has no interest, direct or indirect, in any of these planes.

During the interrogation of General Singlaub, he was led to confirm that he could have bought twice the quantity of munitions at the prices charged by Mr. Secord. This conclusion is absolutely without merit. Only four items were purchased by both General Singlaub and Mr. Secord.

General Singlaub sold 10,000 AR-47's, folding stock model, at \$135.00 per rifle. Mr. Secord sold 3,000 AR-47's, wooden stock model, at \$217.00 per rifle. The wooden stock rifles were purchased for a cost of approximately \$180.00 per rifle, and they were sold at a 20% mark up to the Contras.

General Singlaub sold 15,000,000 rounds of 7.62 x 39 at a price of \$110.00 per thousand. Mr. Secord sold 7,500,000 rounds at an average price of \$136.00 per thousand. Including mark up, Mr. Secord's price equates to 2.80 per round or one-half the quantity.

UNCLASSIFIED

AP-21
11/20/87

SHARP GREEN & LANFORD

UNCLASSIFIED

SC 04102

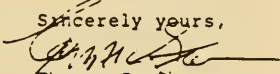
General Singlaub sold 200 RPG-7's at \$1,650.00 per launcher. Mr. Secord sold 80 RPG-7's at \$1900.00 per launcher. Mr. Secord's price was 15% higher than General Singlaub's price on less than one-half the size of Singlaub's order.

General Singlaub sold 5,000 RPG-7 rounds at \$125.00 per round. Mr. Secord sold 2,000 such rounds at \$225.00 per round. This presents a 21.6% mark up over General Singlaub's price on little more than half the quantity supplied by General Singlaub.

General Singlaub shipped 348 tons of material and charged the Contras approximately \$300,000.00 for shipping. Mr. Secord shipped over 600 tons and charged the Contras \$150,000.00 for shipping.

If Mr. Secord had dealt in quantities comparable to those purchased by General Singlaub, the resulting price differential would have been de minimus, which means, in effect, that Mr. Secord was buying at substantially better prices.

Sincerely yours,


Thomas C. Green
Attorney for
Richard V. Secord

TCG:ddd

UNCLASSIFIED

UNCLASSIFIED

SC 04103

ARMS SALES PROFIT ANALYSIS
PREPARED BY RICHARD V. SECORD
1985-1986

Phase I (Airlift February 1985; Sealift April 1985)

Sell \$2,346,175
Costs 1,634,901
Profit 711,274 or 30.3% gross (43.5% of cost)

Phase II (Airlift March 1985)

Sell \$1,235,596
Costs 924,756
Profit 310,840 or 25.1% gross (33.6% of cost)

Phase III (Sealift June 1985)

Sell \$6,407,512
Costs 5,190,512
Profit 1,217,000 or 18.99% gross (23.45% of cost)

Phase IV (Airlift November 1985)

Sell \$2,255,200
Costs 2,003,200
Profit 252,000 or 11% gross (12.78% of cost)

UNCLASSIFIED

UNCLASSIFIED

- 2 -

SC

04104

Phase V (Airlift March 1986)

Sell \$504,140

Costs 354,140

Profit 150,000 or 29.7% gross (42.3% of cost)

Phase VI (Airlift April 1986)

Sell \$441,640

Costs 353,337

Profit 88,303 or 19.99% gross (25% of cost)

Phase VII (2 airlifts May 1986)

Sell \$938,635

Costs 637,467

Profit 301,168 or 32% gross (47.2% of cost)

GRAND TOTALS

Sell \$14,128,898

Costs 11,101,313

Profit 3,027,585 or 21% gross (27.3% of cost)

Note: Sealift July/August 1986 aborted

Costs about \$2,400,000

Sold CIA 1,500,000

Returned to Enterprise - 1,200,000 (300,000 brokers

fee to DEFEX)

UNCLASSIFIED

UNCLASSIFIED

- 3 -

SC 04100

TOTALS OF TRANSACTIONS PRICED EXCLUSIVELY BY SECORD

Sell. \$11,782,723

Costs 9,466,412

Profit 2,316,311 or 19.65% gross (24.5% of cost)

UNCLASSIFIED

23-136

CLASSIFIED AT TIME OF PUBLICATION.

UNCLASSIFIED

23-137

6 PAGES

CHAPTER 23 FN #137

C-4803 thru C-4807 and H-87

DENIED IN
TOTAL**UNCLASSIFIED**

4725

UNCLASSIFIED

11 PAGES

ER - 0034 thru ER - 0044

CHAPTER 23, FN # 138

DENIED IN

TOTAL

UNCLASSIFIED

4726

23-139

23/139

UNCLASSIFIED

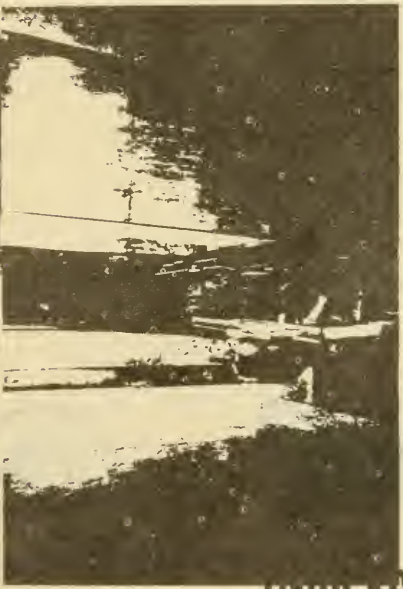


EXHIBIT
0032

4410

UNCLASSIFIED

CHAPTER 24. COVERT ACTION IN A DEMOCRATIC SOCIETY

24-39

Copy

14

FW# 39

UNCLASSIFIED

Executive Registry

85-25711

0616

**ADDENDUM TO PROCEDURES GOVERNING
REPORTING TO THE SENATE SELECT COMMITTEE
ON INTELLIGENCE ON COVERT ACTION**

General Counsel

86-02433

1. In accordance with Paragraph 10 of the Procedures Governing Reporting to the SSCI on Covert Action, executed on June 6, 1984, the SSCI and the DCI have jointly reviewed the Procedures in order to assess their effectiveness and their impact on the ability of the Committee and the DCI to fulfill their respective responsibilities under section 501 of the National Security Act of 1947.
2. The Committee and the DCI agree that the Procedures have worked well and that they have aided the Committee and the DCI in the fulfillment of their respective responsibilities. The Committee and the DCI also agree to add the following Procedures set forth below:

- In accordance with the covert action approval and coordination mechanisms set forth in NSDD 159, the "advisory" format will be used to convey to the SSCI the substance of Presidential Findings, scope papers, and memoranda of notification.
- Advisories will specifically take note of any instance in which substantial nonroutine support for a covert action operation is to be provided by an agency or element of the U.S. Government other than the agency tasked with carrying out the operation, or by a foreign government or element thereof. It is further agreed that advisories will describe the nature and scope of such support.
- In any case in which the limited prior notice provisions of section 501(a)(1)(B) of the National Security Act are invoked, the advisory or oral notification will affirm that the President has determined that it is essential to limit prior notice. It is further agreed that in any section 501(a)(1)(B) situation, substantive notification will be provided to the Chairman and Vice Chairman of the SSCI at the earliest practicable moment, and that the Chairman and Vice Chairman will assist to the best of their abilities in facilitating secure

4538

UNCLASSIFIED

751C

UNCLASSIFIED

C 0617

-2-

notification of the Majority and Minority leaders of the Senate if they have not already been notified. It is understood that responsibility for accomplishment of the required notification rests with the Executive Branch.

- It is understood that paragraph 6 of the Procedures, which requires that the SSCI shall be kept fully and currently informed of each covert action operation, shall include significant developments in or related to covert action operations.
- The DCI will make every reasonable effort to inform the Committee of Presidential Findings and significant covert action activities and developments as soon as practicable.

3. In accordance with paragraph 4 of the Procedures, the DCI recognizes that significant implementing activities in military or paramilitary covert action operations are matters of special interest and concern to the Committee. It is agreed, therefore, that notification of the Committee prior to implementation will be accomplished in the following situations, even if there is no requirement for separate higher authority or Presidential approval or notification:

- Significant military equipment actually is to be supplied for the first time in an ongoing operation, or there is a significant change in the quantity or quality of equipment provided;
- Equipment of identifiable U.S. Government origin is initially made available in addition to or in lieu of nonattributable equipment;
- There is any significant change involving the participation of U.S. military or civilian staff, or contractor or agent personnel, in military or paramilitary activities.

4. The DCI understands that when a covert action operation includes the provision of material assistance or training to a foreign government, element, or entity that simultaneously is receiving the same kind of U.S. material assistance or training overtly, the DCI will explain the rationale for the covert component.

UNCLASSIFIED

Executive Permit 7511

UNCLASSIFIED

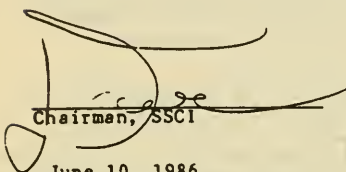
C 0618

-3-

The DCF understands that the Committee wishes to be informed if the President ever decides to waive, change, or rescind any Executive Order provision applicable to the conduct of covert action operations.

6. The Committee and the DCI recognize that the understandings and undertakings set forth in this document are subject to the possible exceptional circumstances contemplated in section 501 of the National Security Act.

7. The Procedures Governing Reporting to the SSCI on covert action, as modified by this agreement, will remain in force until modified by mutual agreement.

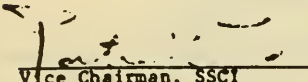

Chairman, SSCI

June 10, 1986

Date


DCI

June 17, 1986
Date


Vice Chairman, SSCI

June 5, 1986

Date

UNCLASSIFIED

Executive Registry 7512

UNCLASSIFIED

C 0619

This document is the property of the Senate and remains under its control through the Select Committee on Intelligence. It is provided for limited purposes related to congressional oversight of intelligence activities, on condition that it will not be released or otherwise disseminated without permission of the Committee. Permission is granted to provide it to the Executive Branch personnel whose official duties concern its subject matter, subject to these restrictions and controls.

12/1/80
Security Council

(4539)

Procedures Governing Reporting
to the Senate Select Committee on Intelligence (SSCI)
on Covert Action

The DCI and the SSCI agree that a planned intelligence activity may constitute a "significant anticipated intelligence activity" under section 501 of the National Security Act of 1947 (the "Intelligence Oversight Act of 1980") even if the planned activity is part of an ongoing covert action operation within the scope of an existing Presidential Finding pursuant to the Hughes-Ryan Amendment (22 U.S.C. 2422). The DCI and the SSCI further agree that they may better discharge their respective responsibilities under the Oversight Act by reaching a clearer understanding concerning reporting of covert action activity. To this end the DCI and the SSCI make the following representations and undertakings, subject to the possible exceptional circumstances contemplated in the Intelligence Oversight Act:

1. In addition to providing the SSCI with the text of new Presidential Findings concerning covert action, the DCI will provide the SSCI with the contents of the accompanying scope paper following approval of the Finding. The contents of the scope paper will be provided in writing unless the SSCI and the DCI agree that an oral presentation would be preferable. Any subsequent modification to the scope paper will be provided to the SSCI.
2. The DCI also will inform the SSCI of any other planned covert action activities for which higher authority or Presidential approval has been provided, including, but not limited to, approvals of any activity which would substantially change the scope of an ongoing covert action operation.
3. Notification of the above decisions will be provided to the SSCI as soon as practicable and prior to implementation of the actual activity.

UNCLASSIFIED

Exemptions not apply 7513

UNCLASSIFIED

C 0620

4. The DCI and the SSCI recognize that an activity planned to be carried out in connection with an ongoing covert action operation may be of such a nature that the Committee desire notification of the activity prior to implementation, even if the activity does not require separate higher authority or Presidential approval. The SSCI will, in connection with each ongoing covert action operation, communicate to the DCI the kinds of activities (in addition to those described in Paragraphs 1 and 2) that it would consider to fall in this category. The DCI will independently take steps to ensure that the SSCI is also advised of activities that the DCI reasonably believes fall in this category.

5. When briefing the SSCI on a new Presidential Finding or on any activity described in paragraphs 2 or 4, the presentation should include a discussion of all important elements of the activity, including operational and political risks, possible repercussions under treaty obligations or agreements, and any special issues raised under U.S. law.

6. To keep the SSCI fully and currently informed on the progress and status of each covert action operation, the DCI will provide to the SSCI: (A) a comprehensive annual briefing on all covert action operations; and (B) regular information on implementation of each ongoing operation, with emphasis on aspects in which the SSCI has indicated particular interest.

7. The DCI and the SSCI agree that the above procedures reflect the fact that covert action activities are of particular sensitivity, and it is imperative that every effort be made to prevent their unauthorized disclosure. The SSCI will protect the information provided pursuant to these notification procedures in accordance with the procedures set forth in S.Res. 400, and with special regard for the extreme sensitivity of these activities. It is further recognized that public reference to covert action activities raises serious problems for the United States abroad, and, therefore, such references by either the Executive or Legislative Branches are inappropriate. It is also recognized that the compromise of classified information concerning covert activities does not automatically declassify such information. The appearance of references to such activities in the public media does not constitute authorization to discuss such activities. The DCI and the SSCI recognize that the long established policy of the U.S. Government is not to comment publicly on classified intelligence activities.

UNCLASSIFIED

Executive Registry 7514

UNCLASSIFIED

C 0621

8. The DCI will establish mechanisms to assure that the SSCI is informed of planned activities as provided by paragraphs 1 through 4, and that the Committee is fully and currently informed as provided by paragraph 6. The DCI will describe these mechanisms to the SSCI.

9. The DCI, in consultation with the DCI when appropriate, will review and, if necessary, refine the mechanisms which enable it to carry out its responsibilities under the Intelligence Oversight Act.

10. The DCI and the SSCI will jointly review these procedures no later than one year after they become operative, in order to assess their effectiveness and their impact on the ability of the DCI and the Committee to fulfill their respective responsibilities.

Rory Sabulwala
Chairman, SSCI
06 JUN 2004

Date _____

William J. Casey
DCI
06 JUN 2004

Date _____

[Signature]
Vice Chairman, SSCI
06 JUN 2004

Date _____

UNCLASSIFIED

Executive Registry 7515

UNCLASSIFIED

NSC/IC5 03343

Finding Pursuant to Section 662 of
The Foreign Assistance Act of 1961,
As Amended, Concerning Operations
Undertaken by the Central Intelligence
Agency in Foreign Countries, Other Than
Those Intended Solely for the Purpose
of Intelligence Collection

N 44659

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and direct the Director of Central Intelligence, or his designee, to report this Finding to the intelligence committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.

SCOPE

Central America

PURPOSE

Support and conduct [redacted] paramilitary operations against [redacted]

Nicaragua

The White House
Washington, D. C.
December 1, 1981

Ronald Reagan

*See 101-112/80-
U.S. S. 101
101-112/80-101*

4540

DERIVATIVE CL BY CIA
 DECL REVV OF 18 Nov 2001

EXT BYED 6 YEARS BY D9d.5
REASON _____

UNCLASSIFIED

~~SECRET~~
~~UNCLASSIFIED~~

Chapter 24 #41
NSC/225 33243

Chapter 26 FN# 16

C 06733
12/1/86

Finding Pursuant to Section 662 of
The Foreign Assistance Act of 1961,
As Amended, Concerning Operations
Undertaken by the Central Intelligence
Agency in Foreign Countries, Other Than
Those Intended Solely for the Purpose
of Intelligence Collection

N-44659

24-41

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and direct the Director of Central Intelligence, or his designee, to report this finding to the intelligence committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.

SCOPE

Central America

PURPOSE

Support and conduct [redacted] paramilitary operations against [redacted] Nicaragua

Ronald Reagan

The White House
Washington, D. C.
December 1, 1981

Partial: Declassified under provisions of E.O. 12958
By B. [redacted] 1/2/83

4395

~~UNCLASSIFIED~~

~~UNCLASSIFIED~~

DERIVATIVE CL BY CIA
 DECL REVV ON 18 Nov 2001
EXT BYED 6 YEARS BY 59d.5
REASON

Chapter 24 P/N# 42

24-42

UNCLASSIFIED
SECURITY CLASSIFICATION

N 44651

NSC/ICS CONTROL NO. 3

To	Name and Address	Date	Initials
1			
2			
3			
4			
5			
6			

ACTION	FILE
APPROVAL	INFORMATION
COMMENT	PREPARE REPLY
CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE

REMARKS: *CLOSED 7/14/82*

SENSITIVE

orig. in Nicaragua File.

HANDLE VIA

THE NSC INTELLIGENCE CONTROL SYSTEM
ONLY

DO NOT FILE OR DESTROY THIS DOCUMENT, RETURN DIRECT TO:

NSC INTELLIGENCE DIVISION

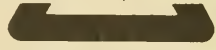
SYSTEM IV CONTROL

ROOM 300

4541

1/3/82

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions



UNCLASSIFIED
~~SECRET~~
SECURITY CLASSIFICATION

UNCLASSIFIED

252

National Security Council
The White House

Package # 400178
N 44652

82 JUL 12 12: 03

	SEQUENCE TO	HAS BEEN	ACTION
John Poindexter	<u>1</u>	<u>[initials]</u>	
Bud McFarlane	<u>2</u>	<u>HAS SEEN</u>	
Jacque Hill			
Judge Clark			
John Poindexter			
Staff Secretary			
SR Room			
<p><i>File</i> <i>7/12</i></p> <p><i>Don't know</i></p> <p><i>Don't know</i></p> <p><i>Don't know</i></p>			
Information A-Act			
cc: <u>[initials]</u> Meese			

COMMENTS

I don't see this really needs to be approved since the earlier finding covers it, but maybe it would be good to get a confirmation since we now have a better idea as to where we are going. Has been coordinated with STATE, DEF, AG. Put on NSPG agenda: YES - NO

UNCLASSIFIED

UNCLASSIFIED

NATIONAL SECURITY COUNCIL

JNLY4426 G382

TO: WILLIAM P. CLARK

FROM: DONALD GREGG

Attached are five copies of the proposed Finding: one for the Vice President, one each for Meese, Baker, and Deaver and one for you.

Attachments

UNCLASSIFIED

UNCLASSIFIEDINTELLIGENCE
NSC/ICS 400178

MEMORANDUM

NATIONAL SECURITY COUNCIL

July 12, 1982

SECRETACTION

MEMORANDUM FOR WILLIAM P. CLARK

N 44654

FROM: DONALD GREGG *DG*

SUBJECT: Proposed Covert Action Finding on Nicaragua

Director Casey has requested that the attached covert action proposal be dealt with at the 13 July 1982 meeting. This proposed Finding is a direct outgrowth of actions taken under the 1 December 1981 Finding, designed to create opposition to the Sandinista leadership of Nicaragua.

The urgency in dealing with this Finding derives from the fact that the opposition group under Eden Pastora has been developing quickly and that additional actions not covered by previous authority are now being proposed.

The present Finding requests authority to:

- Provide financial and material support to the anti-Sandinista group.
- Provide assistance in terms of funding, training and arms supply to the same group.
- Work with other Latin American and European governments to build international support for the movement.

Questions to Raise. While the overall effort appears to be going well, I would suggest that CIA be questioned as to the form and size of the paramilitary activities which the Pastora group will be undertaking, the targets of these forces and the expected reaction (the rationale appears to be to have the anti-Sandinista forces strike against the Cuban presence in Nicaragua rather than attacking the Sandinista units).

Funding. CIA states that it will not require additional funds for the remainder of this fiscal year.

RECOMMENDATION

OK No

Assuming satisfactory answers to the questions indicated above, I would recommend this Finding be approved.

Attachments

Tab I Scope and Finding, NSC/ICS 400178, (Copies 1 thru 5)
Tab II December 1, 1981 Finding & Scope (NSC/ICS 03340)

SECRET

Review on July 12, 2002

UNCLASSIFIED

4542

UNCLASSIFIED

N 44655

UNCLASSIFIED

UNCLASSIFIED

NSC/ICS CONTROL NO. 44656

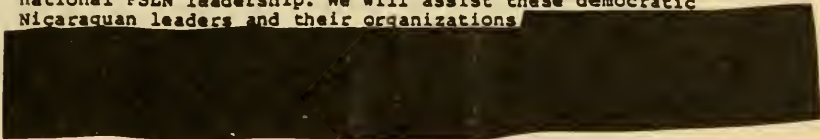
SCOPE OF CIA ACTIVITIES

UNDER THE NICARAGUA FINDING

N 44656

Following the President's approval of the attached Finding on Nicaragua, CIA will undertake the following specific activities:

a) the primary activities will be directed at providing financial and material support to democratic Nicaraguan leaders who have become disillusioned with growing Cuban predominance in Nicaragua and with the increasing totalitarian nature of the national FSLN leadership. We will assist these democratic Nicaraguan leaders and their organizations



b) as a supplement to the above primary activities, we will aid the democratic Nicaraguan leaders and their organizations in their efforts to increase internal resistance to the FSLN and to create a paramilitary potential to punctuate their resolve to effect changes in Nicaraguan government policies. This assistance will be in the form of funding, arms supply and some training, the training being conducted by third country nationals to the

This activity is to enable the democratic leaders and organizations to deal with the FSLN leadership from a position of strength. The democratic Nicaraguans would be encouraged to focus the paramilitary operations primarily against the Cuban presence in Nicaragua, and to view these paramilitary forces as a rallying point for the dissident elements of the Sandinista military establishment.

c) to further the above activities, we will work with selected Latin American and European governments, organizations and individuals to build international support for the objectives of the democratic Nicaraguan groups. These selected governments will be encouraged to pressure the Nicaraguan Government to reach an accord with the democratic Nicaraguan elements through negotiations. These foreign governments and international organizations will be encouraged to aid the democratic Nicaraguans in their efforts to eliminate the influence of Cuba and the Soviet Union over Nicaraguan Government policies and actions and to restore freedom and democracy to Nicaragua.

ALL PORTIONS OF THIS DOCUMENT ARE CLASSIFIED **S E C R E T**

RVW 08JUL02
DRV D9C.1
CL BY

4543

82-7
Copy No. 6

UNCLASSIFIED

Handwritten notes:
Excluded from automatic
downgrading and
declassification
by E.O. 12958
Section 1.4

UNCLASSIFIED

Finding Pursuant to Section 662 of
The Foreign Assistance Act of 1961,
As Amended, Concerning Operations
Undertaken by the Central Intelligence
Agency in Foreign Countries, Other Than
Those Intended Solely for the Purpose
of Intelligence Collection

N 44657

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and direct the Director of Central Intelligence, or his designee, to report this Finding to the Intelligence Committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.

SCOPE

Nicaragua

PURPOSE

Support and conduct [REDACTED] covert activities, including paramilitary activities, designed to [REDACTED] to facilitate the efforts by democratic Nicaraguan leaders to restore the original principles of political pluralism, non-alignment, a mixed economy and free elections to the Nicaraguan revolution. Work with foreign governments and organizations as appropriate to carry out the program.

The White House
Washington, D. C.

1/25/88

4544

SECRET/SENSITIVE

UNCLASSIFIED

N 44658

UNCLASSIFIED

UNCLASSIFIED

NSC/ICS 03340

Finding Pursuant to Section 662 of
The Foreign Assistance Act of 1961,
As Amended, Concerning Operations
Undertaken by the Central Intelligence
Agency in Foreign Countries, Other Than
Those Intended Solely for the Purpose
of Intelligence Collection

N 44659

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and direct the Director of Central Intelligence, or his designee, to report this Finding to the intelligence committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.

SCOPE

Central America

PURPOSE

Support and conduct [redacted] paramilitary operations against

Nicaragu [redacted]

The White House
Washington, D. C.
December 1, 1981

Ronald Reagan

43/82

4545

DERIVATIVE CL BY CIA
 DECL REVW ON 18 Nov 2001

UNCLASSIFIED

EXT BYED 6 YEARS BY D9d.5
REASON _____

N 44660

DENIED IN
TOTAL

24-43

CLASSIFIED AT TIME OF PUBLICATION.

24-44

CLASSIFIED AT TIME OF PUBLICATION.

U.S. 50105

UNCLASSIFIED
UNCLASSIFIED

24-52

<HEADER>

MSG FROM: NSJMP --CPUA TO: NSPBT --CPUA
To: NSPBT --CPUA PAUL THOMPSON

11/22/86 16:56:33

~~SECRET~~

NOTE FROM: JOHN POINDEXTER

H 19124

<SUBJECT>

Subject: MFAC

<TEXT>

fyi

*** Forwarding note from NSRCM --CPUA 11/21/86 21:01 ***

To: NSJMP --CPUA

*** Reply to note of 11/21/86 19:12

~~SECRET~~

NOTE FROM: ROBERT MCFAPLANE

Subject: MFAC

Reger John. You must must be pretty well drained after the sessions with the Intel committees. That's not a terribly uplifting experience; I did it a time or two for Ollie. I spent a couple of hours with Ed Meese today going over the record with him. The only blind spot n by part concerned a shipment in November '85 which still doesn't ring a bell with me.

But it appears that the matter of not notifying about the Israeli transfers can be covered if the President made a "mental finding" before the transfers took place. Well on that score we ought to be ok because he was all for letting the Israelis do anything they wanted at the very first briefing in the hospital. Ed seemed relieved at that. Caroline tells me that she has arranged for me to meet with the MFAC on Dec 8 that 2:00pm. They want it to be closed but for the record. I don't mind either way but will be guided by whatever you all prefer.

Partially Declassified under Executive Order 12958 by R. Rosen, National Archives 11/27/87



6 May 1987

UNCLASSIFIED
UNCLASSIFIED

353

Chapter 24 FN 58



Office of the Attorney General
Washington, D. C. 20530

81-3

UNCLASSIFIED

OCTOBER 5, 1981

N: 10018

24-58

The Honorable William J. Casey
Director
Central Intelligence Agency
Washington, D.C. 20505

Re: CIA Exchange of U.S. Weaponry
for [REDACTED] (S)

Dear Bill:

We have been advised by the State Department's Legal Adviser that the Foreign Assistance Act and the Arms Export Control Act were not intended, and have not been applied, by Congress to be the exclusive means for sales of U.S. weapons to foreign countries and that the President may approve a transfer outside the context of those statutes. Accordingly, I believe the exchange for [REDACTED] may be legally completed, based upon a determination by the President that these Acts cannot be used and that the authorities of the Economy Act and National Security Act may be utilized to achieve a significant intelligence objective. In order to satisfy the Congressional reporting requirements imposed on the Secretary of Defense under DoD Appropriations Authorization Acts (10 U.S.C. 133, Note) and on you by the Intelligence Oversight Act of 1980 (50 U.S.C. 413), the House and Senate Intelligence Committees should be informed of this proposal and the President's determinations. (S)

Sincerely,

Bill

WILLIAM FRENCH SMITH
Attorney General

Classified by Derivative: State Department
Memorandum of Law, October 2, 1981.
Review for Declassification: 10/2/2001.

7733

4546

UNCLASSIFIED

Partially Declassified Pursuant to E.O. 12958
by B. [REDACTED], National Security Council

THE SECRETARY OF STATE
WASHINGTON

NOT
SENT

~~UNCLASSIFIED~~ UNCLASSIFIED

N 10019

Dear Bill:

As you will recall, the NSPG requested the opinion of the Attorney General as to the legality of a sensitive intelligence collection activity which would involve the transfer [redacted]

[redacted] The objective of this transfer would be the acquisition [redacted]

The Attorney General, after preliminary inquiry, has referred to the Department of State the question of whether the special body of legislation generally governing international arms transfer would preclude the transfer [redacted] which is believed to be an essential precondition to the acquisition [redacted]. This Department's Legal Adviser, in consultation with the Justice Department's Counsel for Intelligence Policy and the General Counsels of CIA and DOD, has provided to me the enclosed memorandum of law. In that memorandum, the Legal Adviser concludes that the arms transfer laws do not constitute exclusive authorities, although it is not clear that a transaction of this magnitude was intended to be permitted outside the normal framework of substantive and procedural requirements of the arms export control laws. In the absence of any applicable express prohibition, the Legal Adviser believes that the President has the discretionary authority to approve this proposal as an integral part of an authorized intelligence collection activity.

At the same time, the enclosed memorandum points out certain legal risks, including the possibilities of new

The Honorable
William J. Casey,
Director,
Central Intelligence Agency.

4547

UNCLASSIFIED

Produced Pursuant to E.O. 12958
under provision of E.O. 12958
by [redacted] National Security Council

~~SECRET~~
UNCLASSIFIED

- 2 -

N 10020

restrictive legislation [REDACTED]

[REDACTED] These risks were not considered by the NSPG and while not legally compelling, would appear to merit its consideration.

Sincerely,

Alexander M. Haig, Jr.

Enclosure:

Memorandum of Law

~~SECRET~~
UNCLASSIFIED

THE LEGAL ADVISER
DEPARTMENT OF STATE
WASHINGTON

N 10021

UNCLASSIFIED
~~SECRET SENSITIVE~~

October 2, 1981

MEMORANDUM OF LAW

SUBJECT: Legal Authority for the Transfer of Arms
Incidental to Intelligence Collection

Introduction

This memorandum examines the legal basis for a proposed covert transfer of [redacted] from the stocks of the Department of Defense to the Central Intelligence Agency and from the Central Intelligence Agency to [redacted]. This transfer would be an essential precondition to the acquisition [redacted]

Analysis

The Congress has enacted a number of statutes specifically dealing with the international transfer of arms by the United States, contained chiefly in the Foreign Assistance Act of 1961 (hereafter "the FAA") and the Arms Export Control Act (hereinafter "the AECA"). Any examination of the legality of the proposed transaction should begin with the question of whether any of these statutes is necessarily applicable in these circumstances.

At the outset, it should be noted that since this proposed transfer of U.S. arms would be a cash sale, laws dealing with grants of defense articles and with "assistance" to foreign countries are not applicable. In this regard, former section 640 of the FAA (79 Stat. 661) provided that references in that Act to "assistance" would not be construed as applicable to cash sales of defense articles. This rule of construction is preserved by section 45(c) of the AECA (22 U.S.C. 2751 note) stating that no provision of law (with certain exceptions not here relevant) shall be deemed to apply to that Act unless it refers specifically thereto or refers generally to sales of defense articles and services. When section 45(c) was enacted in 1968, the report of the House Committee on Foreign Affairs explained its purpose as follows:

4548

UNCLASSIFIED
SECRET SENSITIVE

Handwritten notes:
1. See also 126 AR
2. See also 126 AR
3. See also 126 AR
4. See also 126 AR

~~UNCLASSIFIED~~

N 10022

"The second sentence [of subsection (c)] continues in force after the repeal of section 640 of the FAA by subsection (a) the rule of construction contained therein that restrictions which do not refer specifically to sales of defense articles and defense services and are phrased only in general terms of prohibiting "assistance" do not apply to sales." H.R. Rep. No. 1641, 90th Cong. 2d Sess., p.14 (1968).

These expressions of legislative intent--in the Foreign Assistance Act, the Arms Export Control Act, and the above-quoted committee report--show that Congress does not regard cash sales of defense articles "as constituting assistance" for purposes of laws prohibiting assistance to foreign countries. Therefore, it is unnecessary to consider restrictions such as those contained in section 620(i) of the FAA (22 U.S.C. 2370(i)) on assistance to nations engaged in aggressive military efforts, or section 620(t) of the FAA (22 U.S.C. 2370(t))

Certain categories of military equipment may be transferred only under specified authorities or after compliance with certain procedures. In particular, section 514(a) of the FAA requires that any defense article in the DOD inventory "which is set aside, reserved, or in any way earmarked or intended for future use by any foreign country" may be transferred to a foreign country only under the authority of the FAA or the AECA. In addition, 10 U.S.C. 957 prohibits any "sale outside the Department of Defense" of any defense article classified "as Prepositioned Material Configures to Unit Sets, as decrement stock, or as Prepositioned War Reserve Stocks" unless the President determines and reports to Congress that certain criteria relating to an international crisis are met. Further, section 813 of P.L. 94-106, as amended (10 U.S.C. 133 note), requires a report to Congress in the case of "any proposal to transfer defense articles which are valued at \$25,000,000 or more from the United States active forces' inventories or from current production.

The General Counsel of the Department of Defense has determined that [redacted] proposed to be transferred in this case will all come from active forces' inventories and from current production. Accordingly, the first two of the three statutes described in the preceding paragraph do not apply. However, the third statute does require a report to Congress by the Secretary of Defense.

~~UNCLASSIFIED~~

UNCLASSIFIED

N 10023

- 3 -

Although the applicable statute does not specify the form or the precise recipients in Congress of such a report, the practice has been to furnish reports of transfers from active forces' inventories and new production in writing to the Speaker of the House and the President of the Senate, with copies to the Armed Services Committees. In light of this practice, it would seem prudent to offer at least an oral report to the chairmen of the Armed Services Committees, explaining that the proposed transfer is one of great sensitivity and is being reported on in detail to the Intelligence Committees. (It is understood that the Intelligence Committees will be informed in accordance with the usual procedures for providing notification of significant anticipated intelligence activities in accordance with section 501 of the National Security Act of 1947 (50 U.S.C. 413).)

Arms sales by the United States to foreign countries are expressly authorized by the Arms Export Control Act. Specifically, section 21(a) of the AECA (22 U.S.C. 2761(a)) authorized the President to make cash sales to foreign countries of defense articles from the stocks of the Department of Defense. However, it is clear that the requirements of the AECA cannot be met in this case. The principal relevant requirements are as follows:

--Sales may be made only to countries with respect to which the President has found such sales will strengthen the security of the United States and promote world peace (§ 3(a)(1), 22 U.S.C. 2753 (a)(1));

-- The articles may be sold only for use for legitimate purposes and the recipient country must agree to use the arms only for legitimate (e.g., self defense) purposes, not to retransfer them without USG consent, and to maintain their security (§§ 3(a)(2) and (3), 4, 22 U.S.C. 2753(a)(2) and (3), 22 U.S.C. 2754);

--A report of the proposed sale of major defense equipment valued at \$7 million or more must be submitted to Congress, which may disapprove the sale by concurrent resolution within 30 days after receiving such report (§ 36(b), 22 U.S.C. 2776(b)).*

*Congressional review under section 36(b) may be waived personally by the President if he certifies to Congress that an emergency exists which requires the sale in the national security interest. However, this authority has been exercised only once in the seven years since section 36(b) was enacted in 1974 (for Yemen in 1979, see Presidential next page)
(Footnote continued next page)

UNCLASSIFIED

~~SECRET~~
UNCLASSIFIED

N 10024

In the case [redacted] the President has made no determination of eligibility under section 3(a)(1) of the AECA. It is at least questionable whether [redacted] use of the U.S. arms [redacted] could be characterized as a legitimate use of force in self defense (see the definition of aggression set forth in UNGA Res. 3314 (XXIX) (1974)). Congressional review is obviously impractical and acceptance of this transfer by Congress might be unobtainable in any event.

In view of the foregoing, it seems clear that a transfer under the authority of the AECA is impracticable. Accordingly, it has been proposed that DOD transfer the weapons to CIA under the authority of section 601 of the Economy Act of 1932 (31 U.S.C. 686), which permits one federal agency to order equipment from another on a reimbursable basis to carry out an authorized activity of the requesting agency. It is then proposed that CIA effect the transfer [redacted] under the sweeping authority granted to that agency by section 102(d) of the National Security Act of 1947 (50 U.S.C. 403(d)). Section 102(d) provides that it shall be the duty of CIA, under NSC direction, to perform services of common concern for the benefit of existing intelligence agencies and to perform "such other functions and duties relating to intelligence affecting the national security as the National Security Council may from time to time direct."

The proposed reliance upon the Economy Act and the National Security Act, neither of which contains any explicit reference to arms transfers, gives rise to the question of whether the Arms Export Control Act, which contains a comprehensive framework of policy guidance, substantive authorities (and limitations of authority), and procedures specifically addressed to international sales of arms by the United States is a preemptive statute which, by implication, precludes reliance upon the more general authorities of DOD and CIA.

*Footnote con't
Determination No. 79-6 of March 7, 1979, 44 Fed. Reg. 18633). That single instance provoked intense Congressional interest. See Hearings on Proposed Arms Transfers to the Yemen Arab Republic before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee, 96th Cong., 1st Sess. (1979). Any future determination under section 36(b) would require publication of a notice in the Federal Register under section 654(c) of the FIA (22 U.S.C. 2414(c)). Such a publication would obviously be incompatible with the covert nature of the proposed transaction.

~~SECRET~~
UNCLASSIFIED

UNCLASSIFIED

N 10025

- 5 -

It seems clear that Congress has not regarded the FAA and the AECA as an exclusive body of law fully occupying the field with respect to U.S. arms transfers. There are several illustrations where Congress, having been made aware of transfers to foreign countries outside that body of specific authorities, has reacted by enacting limited restrictions or reporting requirements rather than by prohibiting such transfers altogether.

One set of examples involves DOD's authority to lease non excess property "not for the time needed for public use" (10 U.S.C. 2667). When Congress considered the previous use of that authority to transfer small naval vessels to foreign countries it amended 10 U.S.C. 7307 to impose new reporting requirements. See P.L. 93-365, § 702, 88 Stat. 405 (1974). Similarly, when Congress considered the use of this leasing authority to transfer helicopters to El Salvador in 1980 it established a new reporting requirement covering all major leases to foreign governments. See P.L. 96-533, § 109, 94 Stat. 3137 (1980). However, it did not challenge the lawfulness of previous transfers by lease or prohibit such transfers in the future.

More directly in point are the examples of Congressional action with respect to covert arms transfers conducted by CIA. These include section 513(b) of the FAA (22 U.S.C. 2321 f(b)) enacted in 1974 and precluding non-FAA or AECA funding for military assistance to Laos; section 662 of the FAA (22 U.S.C. 2422), also enacted in 1974 and requiring Presidential approval of and reports to Congress on CIA "operations in foreign countries other than activities intended solely for obtaining necessary intelligence";* and section 404 of P.L. 94-329, 90 Stat. 757) enacted in 1976 and prohibiting assistance for military or paramilitary operations in Angola. All of these statutes were enacted against a background of

*The reporting requirements of section 662 were superseded by section 407 of P.L. 96-459, 94 Stat. 1981 (1980), which added a new section 501 to the National Security Act of 1947, entitled "Congressional Oversight" (50 U.S.C. 413).

**Section 404 was superseded in 1980 by section 118 of P.L. 96-533, which reenacted the 1976 prohibition with minor changes (22 U.S.C. 2293 note).

UNCLASSIFIED

~~SECRET~~
UNCLASSIFIED

covert actions, including arms transfers. Although the language in the relevant committee reports is rather circumspect in this regard, the legislative history of the prohibition on assistance to Angola is especially instructive. That prohibition was amended in the committee of conference to add the words "notwithstanding any other provision of law." The reason for this amendment was explained in the conference report as being "to make clear that the prohibition on security assistance [i.e., arms transfers] is not limited solely to assistance furnished pursuant to this Act." H.R. Rep. No. 94-1913, 94th Cong. 2d Sess., p.70 (1974). The reference to "this Act" meant the International Security Assistance And Arms Export Control Act of 1976 (P.L. 94-329, 90 Stat. 729), which amended extensively both the FAA and the AECA. Moreover, the prohibition was enacted as a companion to the so-called "Tunney amendment" to the FY1976 DOD Appropriation bill (H.R. 9861, 94th Cong. 1st Sess. (1975)). That amendment deleted funds intended for use by CIA to provide covert military assistance, including arms transfers, in Angola. See debates at 121 Cong. Rec. 40872-40873, 41196-41212, 41564, 41617-41623 (1975).

The CIA General Counsel advises that, since the enactment in 1974 of the above-described legislation on reports to Congress of covert actions, several reports have been made of covert actions involving arms transfers to foreign countries by CIA and Congress has acquiesced in such transfers. This fact, together with the above-discussed record of limited Congressional action to deal with international arms transfers made in the past outside the framework of the security assistance laws, provides a sound legal basis for concluding that the AECA is not an exclusive authority for arms sales to foreign governments.

There remains, however, a difficult issue of judgment that is presented because of the amount of this particular transfer, the nature of the equipment, and the controversial character of the intended recipient. I am unaware of any covert arms transfer in recent years which has so directly confronted the central purpose of the Arms Export Control Act that large transfers of major defense equipment to volatile regions such as [redacted] should be carried out under effective policy guidance from the Congress, with careful Executive Branch deliberations encouraged by the need to subject their outcome to Congressional review. See S. Rep. No. 94-605, 94th Cong., 2d Sess., pp. 4-8 (1976). While the Arms Export Control Act is not an exclusive statutory authority, it surely was intended to be the primary basis

UNCLASSIFIED

UNCLASSIFIED

N 10027

for international arms transfers. Other authorities have been invoked only as exceptions to this generally applicable law and have not been treated as complete alternatives. At some point, the use of an exceptional authority would defeat the purpose of the generally applicable legislation.

In the absence of a clear line drawn by Congress, I believe the President has the discretion to decide that this case is not a circumvention of the law in view of its primary intelligence collection objective, the high priority attached to the particular objective here involved, and the practical impossibility of using the at least partially open procedure of the Arms Export Control Act. However, if the President were to make such a judgment, and if the transaction were later to become public

it would be difficult to defend publicly the legal rationale for proceeding in the manner proposed if it also continued to be necessary to keep secret the specific intelligence objective that motivated the transfer and the extraordinary value of that objective.

Should there result a belief in Congress that the President had exceeded the bounds of permissible exceptions to the Arms Export Control Act, the legal consequences would be of a legislative character. A criminal prosecution would be unlikely since export licensing requirements do not apply to exports by government agencies for carrying out programs authorized by law and subject to the President's control (see 22 U.S.C. 2778(b)(2)); presumably, a decision to go forward would proceed on the basis that CIA's authority, although unclear, is sufficient. A civil action against Government officials challenging the legality of the transfer would seem unlikely to prosper given the political character of the questions presented. However, there would seem to be a genuine risk of new legislation to prohibit arms transfers outside the Arms Export Control Act and Foreign Assistance Act. If enacted, such legislation could be a serious impediment to the relatively small but nevertheless important covert transfers that CIA is presently able to carry out.

UNCLASSIFIED

UNCLASSIFIED
~~SECRET~~

N 10028

- 8 -

Conclusion

Although the matter is not entirely free from doubt, I believe (and the General Counsels of DoD and CIA concur) that the President has the discretionary authority to proceed with the proposed activity under the National Security Act of 1947. To do so would present legal risks, chiefly that Congress might challenge his decision and enact new, restrictive legislation, [REDACTED]

If the President decides to proceed, reports to the

UNCLASSIFIED
~~SECRET~~

UNCLASSIFIED
~~SECRET/NOFORN~~

N 10029

- 9 -

Intelligence and Armed Services Committees of Congress would be necessary. In addition, it might help to reduce the risk of an adverse legislative reaction if the chairmen of the House Foreign Affairs and Senate Foreign Relations Committees were informed.

Davis R. Roninson**UNCLASSIFIED**
~~SECRET/NOFORN~~

UNCLASSIFIED

N 10030

OGC 81-07880
15 September 1981

MEMORANDUM FOR: General Counsel

FROM: W. George Jameson
Assistant General Counsel

SUBJECT: Sale of U.S. Military Weapons (S)

1. The question is whether CIA has the authority to engage in an intelligence collection activity that results in CIA's acquisition of [REDACTED]

[REDACTED] The Army requested CIA's assistance in the activity after being approached by someone able to obtain the [REDACTED] It is proposed that CIA conduct the activity and that DoD and CIA share in the benefits. (S)

2. Executive Order 12036, section 1-807, provides that CIA shall coordinate the collection outside the U.S. of intelligence information not otherwise obtainable. Section 1-809 provides CIA shall conduct services of common concern for the Intelligence Community as directed by the NSC. There is no doubt that CIA could purchase the [REDACTED] since CIA also can expend funds, notwithstanding any other provisions of law, for purposes necessary to carry out its functions. 50 U.S.C. § 403j (section 8 of the CIA Act of 1949). Moreover, CIA can transfer and receive funds to or from DoD, after OMB approval, to perform its functions without regard to any law limiting transfers between appropriations, 5 U.S.C. § 403f, and can cooperate with DoD in the provision of funds, services, or materials pursuant to 31 U.S.C. § 686 (the Economy Act). One agency may assist another agency under the Economy Act only if the requestor has legal authority to engage in the activity itself but cannot do so as a matter of convenience. Thus, to the extent the intelligence activity involves the transfer and expenditure of funds, CIA has ample legal authority. The authority to transfer the military weapons in return for a valuable intelligence gain seems also to exist, but is less clear. (S)

UNCLASSIFIED

Original Cl By [REDACTED]
Review on 14 September 2001
Ext Bynd 6 Yrs By 986573
Reason 3d.3

UNCLASSIFIED

N 10031

3. Historically, CIA has engaged in so-called accommodation procurements to provide articles to foreign cooperating governments. While there is no express authority for CIA to engage in such activity, this Office has held that CIA has inherent and implicit authority pursuant to section 8 to purchase goods or services on a reimbursable basis for transfer abroad. (For example, past arrangement for contractual services in assisting Iran.) The instant case, however, involves the provision by CIA of military weapons that arguably may be subject to the export provisions of the Foreign Military Sales Act (FMSA). (S)

4. It is my view that the FMSA is inapplicable to the present case. That Act provides congressional authorization for measures in the common defense of friendly countries against internal or external aggression. It is primarily a military assistance statute that enables the President to furnish defense articles and other military aid to such countries for internal security and legitimate self-defense activities consistent with U.S. national security objectives. 22 U.S.C. § 2301, et seq. It does not purport to limit the Government's intelligence-gathering activities, nor does it legislate all transfer of military weaponry abroad. Military sales are specifically addressed in the Arms Export Control Act (AECA), 22 U.S.C. § 2751, et seq. In section 2751, Congress recognized that the United States has an interest in mutual defense arrangements with foreign governments, and established a military sales program to further that purpose, consistent with the purposes of the FMSA and other foreign assistance programs, and with the U.S. policy to reduce international trade in weaponry. Export of defense articles is limited; for example, transfers generally shall not be approved to human rights violators, 22 U.S.C. § 2751; and transfer to third countries must be controlled, 22 U.S.C. § 2753(a). Nevertheless, the Act authorizes the President to waive these restrictions, provided he informs the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate. Notice to Congress must provide an unclassified certification that need not reveal the details of the transaction, but a classified report must include the identity of the recipient, the cost of the article transferred, and the reasons for the proposed transfer. In emergency situations, the President's consent to the transfer can be immediate, otherwise Congress has 30 days to object. 22 U.S.C. § 2753(d)(2). The President also can transfer items to governments that aid or abet terrorists if he finds the national security justifies it and so reports to Congress. 22 U.S.C. § 2753(f). (S)

5. The Arms Export Control Act, like the FMSA, limits sales to friendly countries solely for security and self-defense, 22

UNCLASSIFIED

SECRET
UNCLASSIFIED

10032

U.S.C. § 2754, and enables DoD to sell defense articles directly from its existing stocks. 22 U.S.C. §2761. The implication, unstated, is that the Act anticipates commercial transactions involving contractors involved in traditional buyer/seller arrangements to be the norm, and the credit terms authorized by the law support the view that the law is geared towards assistance, not intelligence gathering. The only reference in the Act to intelligence appears at 22 U.S.C. § 2751, wherein Congress expresses a preference to limit the aggregate value of defense articles exported under § 2778 for the use of police, armed, intelligence or internal security forces under a commercial sales contract to then-existing levels. Section 2778 authorizes the President to restrict the export of defense articles by controlling commercial licensing. However, no license is required for exports or imports made by or for a U.S. Government agency for official use. 22 U.S.C. § 2778(b)(2)(A). While this section clearly eliminates the licensing requirement for any CIA exports, regardless of the origin, and enhances CIA's ability to surround its exports in a cloud of secrecy, there is no indication the revision does anything more than control exports by commercial contractors. (S)

6. The foregoing statutes, read together, represent the intent of Congress to control official U.S. military assistance of weapons or services that can be given to countries friendly to the United States for mutual defense purposes and to control the export of defense articles in order to achieve world peace and curtail commercial arms dealings. The proposed intelligence activity is not a substitute for an overt weapons sale [redacted] which is not considered a friendly country, and to which aid cannot be provided under the Act at the present time, absent an amendment to existing policies and regulations. (S)

7. The transaction is not being accomplished under the authority of these Acts, however, but under CIA's authority to collect intelligence and provide services of common concern to the Intelligence Community. No funds appropriated under the FMSA or AECA are being utilized, but some of the [redacted] are derived from such appropriations and were found in DoD stockpiles. The President may sell defense articles from such stockpiles to any eligible country. 22 U.S.C. § 2761. The central question, therefore, is whether the Army can provide CIA with defense weapons earmarked for FMSA/AECA treatment without acting under the limitations of those Acts. If DoD can provide CIA the weapons, CIA can complete the transaction. (S)

8. There is no clear precedent for this transaction. Previous transfers of weapons or technology by CIA can be

3
UNCLASSIFIED

UNCLASSIFIED

N 10033

distinguished, in one instance because weapons were not of U.S. origin, and they never entered the U.S. In brief, the arguments are as follows: On the one hand, it may be argued that the Army may request CIA for assistance under the CIA Act or the Economy Act to purchase [redacted]. Certainly CIA can expend funds to do so and would be reimbursed for its efforts. Similarly, CIA under those provisions could request funds from the Army to collect the intelligence. However, CIA can utilize the CIA Act to receive Army weapons in order to carry out its functions, but the Army can transfer the weapons to CIA only pursuant to its own statutory or regulatory authority. Assuming such authority exists, the Army also seems to be able to utilize CIA to carry out sales and assistance under the FMSA and AECA. CIA normally is not subject to those acts in transacting accommodation procurements for a foreign government directly with a vendor, since CIA merely serves as a conduit and does not engage in an actual sale or provision of defense articles, and no funds are authorized for CIA to provide foreign assistance under those Acts. (S)

9. According to the information provided us, the activity in question is a joint effort of the DoD and CIA. CIA has listed the [redacted]

(S)

10. The FMSA and AECA do not present insurmountable legal obstacles in the carrying out of the CIA's desire to obtain [redacted]. If the transaction involved a cash purchase, there would be no legal impediment to effect the transaction. The requirement that the transaction be in barter does present certain problems. There is very little precedent on point. Certainly, if it should be concluded that the means to effectuate the transaction are merely a way to avoid the FMSA or AECA, then, of course, the transaction is flawed. That is not the case under the present circumstances. There is a legitimate intelligence-gathering objective and, instead of using dollars which could be utilized to purchase the U.S. weapons in question, the selling country has asked for a combination of cash and weapons. Under these circumstances it can reasonably be concluded that we do have a legitimate intelligence-gathering activity which is not subject to the FMSA, the AECA or precluded by any other provision of U.S. law. (S)

11. It is obvious that this analysis cannot be carried too far. For example, the CIA cannot be permitted to negotiate an

UNCLASSIFIED

UNCLASSIFIED

N 10034

arrangement under which highly sophisticated and important U.S. weaponry is delivered for a modest intelligence benefit. This, of course, would involve an attempt to circumvent the spirit of the FMSA and AECA. This is clearly not the factual setting that now presents itself. Here we have an extremely important intelligence-gathering opportunity with a requirement that we provide U.S. weapons of an unsophisticated and conventional kind, [REDACTED]. Indeed, before the transaction is completed, [REDACTED] insists on inspecting the weaponry to make sure it is usable. It is the high return versus the low grade of the equipment to be given up that makes this transaction fall within permissible bounds. However, the barter aspect of the transaction is a minor or incidental part of a major intelligence-gathering operation. Because of the closeness of the question, the transaction should be brought to the attention of the Departments of State and Defense and the Attorney General and receive their approval before implementation. (S)

W. George Jameson
W. George Jameson

⁵
UNCLASSIFIED
SECRET



Office of Intelligence Policy and Review

N 10035

UNCLASSIFIED

Washington, D.C. 20530

SEPTEMBER 18, 1981

MEMORANDUM FOR THE ATTORNEY GENERAL

Re: Proposed Exchange [REDACTED]

Conclusion

You have been asked by the NSPG for your opinion regarding whether CIA may provide a sizable amount of cash and a number of [REDACTED]

[REDACTED] without regard for the provisions of the Military Assistance and Sales provisions of the Foreign Assistance Act (22 U.S.C. 2301, et. seq., "FNSA") and the Arms Export Control Act (22 U.S.C. 2751, et. seq., "AECA"). My conclusion is that while every effort should be made to facilitate this transaction, those statutes must be taken into account before such a transfer of DoD weapons to this foreign government may be accomplished. These statutes are exceedingly complex, however, and can only be applied on a case-by-case basis. The information we have received is vague and incomplete and there are a number of significant unanswered questions that could be determinative as to whether and how these statutes apply to this case. It is likely that a body of precedent and interpretation has been developed in the application of these laws that can be relied upon to consummate this transaction. I recommend that this question be brought to the attention of appropriately cleared attorneys at the State Department who are intimately familiar with these statutes and will assist in pursuing this matter in accordance with relevant provisions of law. (S)

Classified by Derivative: CIA Memorandum,
dtd. Sept. 15, 1981.

Review for Declassification: Sept. 14, 2001.

UNCLASSIFIED

UNCLASSIFIEDDiscussion

N 10036

This proposal has proceeded thus far on the basis of the conclusion that the FMSA and AECA only apply to military assistance programs with friendly countries and not to transfers of U.S. weapons to other countries for important intelligence purposes. The proposal also appears to be premised on several very important, but unsubstantiated, assumptions including that DoD has the authority to provide the weapons to CIA for transfer to ██████████ that the weapons are not being drawn from an inventory or stockpile of weapons that are subject to the FMSA, and that there will be no direct or indirect expenditure of funds appropriated under the FMSA. A review of the face of the statutes and a limited portion of the legislative history raises several difficult questions that should be resolved in order for this exchange to proceed. (S)

The major difficulty is the conclusion that the FMSA and AECA are intended to apply only to overt sales of U.S. weapons to eligible friendly foreign countries and do not relate at all to other transfers of the same weapons so long as accomplished secretly, through another agency and where enhancement of the recipient's military capabilities is not the primary purpose of the transfer. The obvious problem with this approach is that it would have the effect of requiring the many and detailed limitations and notice provisions of the statutes to be observed when arms are being transferred to friends or allies for certain purposes, but not require such controls to be respected when an unfriendly country, or even a friendly country for an intelligence purpose, is involved. A country hostile to the U.S. that engages in military aggression, supports international terrorism is communist dominated or controlled, participates in nuclear proliferation without regard to international controls, acts to the financial detriment of U.S. citizens or enterprises, and subjects its citizens to gross violations of human rights could be provided U.S. weaponry with relative impunity, so long as the purpose is appropriate, while a friendly country involved in any one of these activities would be subject to sanctions and special procedures. See e.g., 22 U.S.C. 2304(a)(2), 2370(b), (c), (e), (h), (i), (j), (t), 2371, 2429, 2753(a), (f), 2775. (S)

While the scope of the statutes is not entirely clear, I believe the better view is that Congress intended to preempt the field and provided these Acts as the sole means for furnishing U.S. weapons to foreign governments. It is true that several provisions refer to "friendly" countries and could be relied upon to argue that a limited application was intended. See, e.g., 22 U.S.C. 2301 (congressional intent to improve ability of friendly countries to deter aggression), 2311(a) (President authorized to furnish military assistance to

UNCLASSIFIED

UNCLASSIFIED

friendly countries when doing so will strengthen U.S. security), 2751 (U.S. policy to facilitate common defense through international agreements with friendly countries), 2754 (U.S. military sales to friendly countries are authorized solely for internal security and self- and collective defense). (S) N 10037

However, there are at least an equal number of instances where the statutes refer to "any" or "any eligible" country, thereby implying a broader intent and coverage. See, e.g., 22 U.S.C. 2302 (defense articles may be furnished to any country solely for internal security or self- or common defense), 2304(a)(2) (no security assistance may be provided to any country where the government consistently violates human rights), 2321b (Congress must be notified of decisions to provide certain excess defense articles to any country), 2321h (defense articles set aside for any foreign country cannot be provided to any foreign country unless authorized, and charged against funds authorized, under the Acts), 2370(i) (no assistance to any country engaging in military aggression), (j) (President to consider terminating assistance to any country failing to control mob action against U.S. property), (t) (no assistance to any country without U.S. diplomatic relations) 2371, 2753(f), (end assistance for one year for any government granting sanctuary to international terrorists), 2393a (no funds expended to carry out any provision in any country more than 35 days after an unanswered GAO or Congressional information request), 2429 (no funds expended for military assistance to any country that engages in nuclear proliferation), 2753 (no defense articles to be exported to any country that does not meet stated eligibility requirements), 2761 (President may sell defense articles from DoD stocks to any eligible country), 2775 (any less developed country diverting resources to unnecessary military efforts is ineligible). Furthermore, it is not surprising that Congress would not contemplate discussing the contours of, or codify a specific, detailed legislative system for, furnishing military assistance to unfriendly governments. (S)

In addition, the definitions of crucial terms used throughout the statutes are drawn in broad, unlimited fashion. Thus, "security assistance" includes any military assistance under the FMSA and sales of defense articles under licenses to export defense articles under the AECA. 22 U.S.C. 2304 (d)(2). "Defense articles" under both Acts includes any surplus defense articles owned by the U.S. and initially procured for U.S., not foreign, military purposes, 22 U.S.C. 2321c, 2403(g), 2794(l), and "foreign country" includes any department, agency or independent establishment of a foreign country. 22 U.S.C. 2321c(2). (S)

UNCLASSIFIED

UNCLASSIFIED

N 10038

It may be argued that only transactions that can be characterized as deliberately and primarily intended to strengthen foreign military capabilities, *i.e.*, "assistance programs", are covered by the Acts and they do not apply when this is only an incidental, albeit natural, consequence of the activity. This view is difficult to square with the nature and tone of the relevant provisions which more clearly support the conclusion that Congress did not intend to allow the Executive to have unfettered discretion to transfer U.S. weaponry to unfriendly or ineligible countries or to any country for intelligence purposes. Rather, the statutes are drafted in limited terms that convey a Congressional intention to exert control over the distribution of U.S. weapons and not to allow such materials to be provided to countries that do not meet the statutory terms. (S)

The statutory provisions include both general and specific language that seems to belie any intention to narrow the extent to which the Acts relate to transfers of U.S. weapons. Section 2321h(2), for example, states that:

[n]o defense article in the inventory of the Department of Defense which is set aside, reserved, or in any way earmarked or intended for future use by any foreign country may be made available to or for use by any foreign country unless such transfer is authorized under this chapter or the Arms Export Control Act, or any subsequent corresponding legislation, and the value of such transfer is charged against funds authorized under such legislation or against the limitations specified in such legislation, as appropriate, for the fiscal period in which such defense article is transferred
(Emphasis added.)

More specific controls include the limitation in the provision authorizing the President to provide military assistance to allow its exercise only as to "eligible" countries and instances where doing so will strengthen U.S. security and promote world peace. 22 U.S.C. 2311(a), 2753. Grants, *i.e.*, gifts, rather than sales or loans, of assistance are authorized to only certain countries and with very stringent controls and Congressional notice requirements. 22 U.S.C. 2312, 2314, 2321b. Assistance to Communist countries and countries acting in ways detrimental to U.S. property interests, that have no diplomatic relations with the U.S., or support terrorists or nuclear proliferation, is

UNCLASSIFIED

UNCLASSIFIED

N 10039

either barred or limited by the statutes. 22 U.S.C. 2370, 2371, 2429, 2753. Further, although the Congress may not have had transfers for intelligence purposes in mind when it addressed this area, there is no indication of any such exclusion or reservations in the statutes or the limited legislative history that was examined. (S)

Even if the provisions of these statutes must be applied here, however, it does not follow necessarily that this transaction cannot be consummated. The FMSA and AECA each authorize the President to transfer defense articles in the national interest immediately in an unforeseen emergency. 22 U.S.C. 2318, 2753(d). The FMSA authorizes the President to approve the transfer of defense articles "procured to carry out this chapter "from DoD to other U.S. Government agencies "in lieu of being disposed of to a foreign country" whenever determined by the President to be in the best interests of the U.S. 22 U.S.C. 2355. These items may then be disposed of by the recipient agency without regard to laws governing such disposal when necessary to prevent their "wastage" or "to conserve their usefulness". Id. The President is also authorized to furnish military assistance without regard to the FMSA or AECA limitations when he determines that to do so is important to U.S. security. 22 U.S.C. 2364. Many of the other limitations, even those regarding proliferation, aggression, terrorism and damage to U.S. interests, provide some room for Presidential determinations and assurances. 22 U.S.C. 2370, -71, 2429. The agreed meaning and application of these provisions in the past is very important in determining whether they may be involved in this case. The fact that most of the Presidential authorities are subject to Congressional notification should not pose a problem since it is intended that the Congress be advised of this exchange [REDACTED] (S)

In addition to the basic questions relating to the applicability of the statutes, the basic assumptions also raise certain questions. For example, CIA may not be authorized to perform this service for DoD under the Economy Act unless DoD would be authorized to transfer the weapons [REDACTED]. Whether these weapons are being drawn from DoD "stocks", "excess" or "inventory" and whether funds appropriated under the FMSA will be directly or indirectly involved are also pivotal issues. The legislative history makes clear that Congress intended that furnishing excess defense articles from DoD stocks to any country should be treated under the FMSA since it would be an "expenditure" credited against funds appropriated under the FMSA. 1974 U.S. Code Cong. & Ad. News 6694-95. There is other evidence of Congress' concern that any transfers of materials from DoD "stockpiles" be reported to Congress and treated under the FMSA and AECA. 1980 U.S. Code Cong. & Ad. News 6561. Official, non-commercial, transfers of DoD weapons may in fact be covered

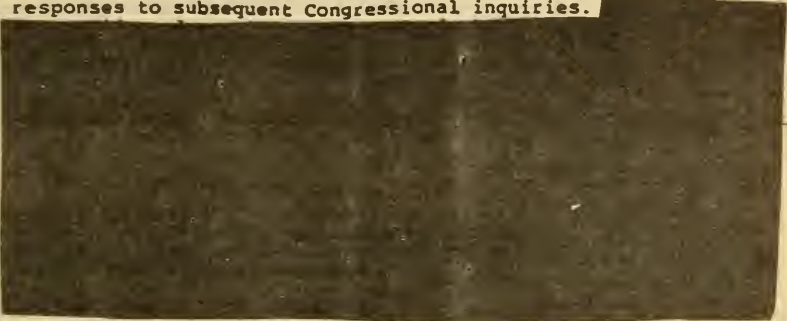
UNCLASSIFIED

UNCLASSIFIED

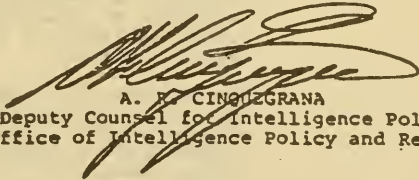
N 10640

by the AECA even though no license is required since that statute is clearly tied to the FMSA, 22 U.S.C. 2751, and refers specifically to the conditions required for sales from DoD stocks. 22 U.S.C. 2754, 2761. (S)

The need to resolve these ambiguities is made more serious by the fact that this proposal presents significant policy considerations that require extra attention to both the letter and spirit of these laws in order to provide satisfactory responses to subsequent Congressional inquiries.



This transaction is obviously very important and every lawful means should be explored to facilitate the exchange. It may be that the statutes in question do not present any difficulty at all and do not in fact relate to such transfers so long as not for "military assistance purposes". I believe that there are lawyers at the State Department who can assist in resolving these questions, however, and who should be consulted before proceeding further. (S)



A. F. CINQUIGRANA
Deputy Counsel for Intelligence Policy
Office of Intelligence Policy and Review

UNCLASSIFIED

UNCLASSIFIED

Finding Pursuant to Section 662 of
The Foreign Assistance Act of 1961
As Amended, Concerning Operations
Undertaken by the Central Intelligence
Agency in Foreign Countries, Other Than
Those Intended Solely for the Purpose
of Intelligence Collection

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct.

SCOPEDESCRIPTION

Iran

Assist selected friendly foreign liaison services, third countries and third parties which have established relationships with Iranian elements, groups, and individuals sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of: (1) establishing a more moderate government in Iran, (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts, and (3) furthering the release of the American hostages held in Beirut and preventing additional terrorist acts by these groups. Provide funds, intelligence, counter-intelligence, training, guidance and communications and other necessary assistance to these elements, groups, individuals, liaison services and third countries in support of these activities.

The USG will act to facilitate efforts by third parties and third countries to establish contact with moderate elements within and outside the Government of Iran by providing these elements with arms, equipment and related material in order to enhance the credibility of these elements in their effort to achieve a more pro-U.S. government in Iran by demonstrating their ability to obtain requisite resources to defend their country against Iraq and intervention by the Soviet Union. This support will be discontinued if the U.S. Government learns that these elements have abandoned their goals of moderating their government and appropriated the material for purposes other than that provided by this Finding.

The White House
Washington, D.C.
Date January 17, 1981

OGCR TS 0801-86
Copy 1

UNCLASSIFIED

N 10041 and N 10042

DENIED IN
TOTAL

Chapter 24 FN # 72
2/6/78
UNCLASSIFIED
N 7010
UNCLASSIFIED

	Name and Address	Date	Initials
1	Robert McFarlane		
2			
3			
4			
5			
6			

<input checked="" type="checkbox"/>	ACTION	FILE
<input type="checkbox"/>	APPROVAL	INFORMATION
<input type="checkbox"/>	COMMENT	PREPARE REPLY
<input type="checkbox"/>	CONCURRENCE	RECOMMENDATION
<input type="checkbox"/>	DIRECT REPLY	RETURN
<input type="checkbox"/>	DISPATCH	SIGNATURE

REMARKS

cc: Oliver North (#2 and 3)
Ken deGraffenreid (#4)

NSC/ICS CONTROL NO. 402000 Re-dc

COPY NO. 3 OF 4

24-72

HANDLE VIA SYSTEM IV CHANNEL ONLY

NSC INTELLIGENCE DOCUMENT


 Warning Notice
 Intelligence Sources and Methods Involved
 NATIONAL SECURITY INFORMATION
 Unauthorized Disclosure Subject to Criminal Sanctions

#162

Partially Declassified / Revised on 6/7/87
Under provision of E.O. 12958
By B. [unclear] National Security Council

UNCLASSIFIED
UNCLASSIFIED

BKD, FBI
12-12-86
NS91

MEMORANDUM

UNCLASSIFIED
 NATIONAL SECURITY COUNCIL

SYSTEM IV
 NSC/ICS-40200
 Re-do

February 6, 1985

SECRETSENSITIVEACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

N 7013

FROM: OLIVER L. NORTH

SUBJECT: Cable to President Suazo of Honduras

Attached at Tab I is a memo from you to Secretaries Shultz and Weinberger, Director Casey, and General Vessey requesting their concurrence in a proposed backchannel cable to President Suazo from President Reagan (Tab A). The cable is intended to emphasize for President Suazo our support in the event of a Sandinista attack

Since we originally reported on January 25, the HUMINT and indications of an attack,

Since January 29, the Sandinistas have been sporadically firing into Honduras with their artillery and rockets. GEN Paul Gorman delivered to the Pentagon on Monday, February 4, two 122mm rocket assemblies taken from their point of impact in Honduras. The intelligence at Tab II pertains.

SECRET
 Declassify: OADR

UNCLASSIFIED
 UNCLASSIFIED

SENSITIVE

UNCLASSIFIED

N 7014

UNCLASSIFIED

UNCLASSIFIED
UNCLASSIFIED

#891

SECRET

2

SENSITIVE

N 7015

At this point, two steps need to be urgently taken:

- The FDN is in urgent need of near-term financing--approximately \$2M--for the purchase of rifles, ammunition, and boots for the new volunteers.
- The Hondurans need to be stiffened with assurances from the United States that we will meet our responsibilities under existing treaties.

Regarding the first matter, as a consequence of GEN Singlaub's recent trip, both the [redacted] and the [redacted] have indicated to [redacted] that they want to help in a "big way." [redacted] (CIA) has withheld the dissemination of these offers and contacted me privately to assure that they will not become common knowledge. Singlaub will be here to see me tomorrow. With your permission, I will ask him to approach [redacted] at the [redacted]

[redacted] Embassy urging that they proceed with their offer. Singlaub would then put Calero in direct contact with each of these officers. No White House/NSC solicitation would be made. *Was should Singlaub indicate and U.S. Co*

RECOMMENDATIONS

1. That you sign and transmit the memo at Tab I.
 Approve _____ Disapprove _____
2. That you authorize me to proceed as indicated with GEN Singlaub.
 Approve _____ Disapprove _____

Attachments

- Tab I - McFarlane Memo to Shultz/Weinberger/Casey/Vessey
- Tab A - Proposed Backchannel Cable to Suazo
- Tab II - Intelligence
- Tab III - Photograph
- Tab IV - Background Cables

UNCLASSIFIED

from Doc 162

SECRET

24-76 *exp* 24 51-76
Top Secret

File

UNCLASSIFIED

C 3327

Special Analysis

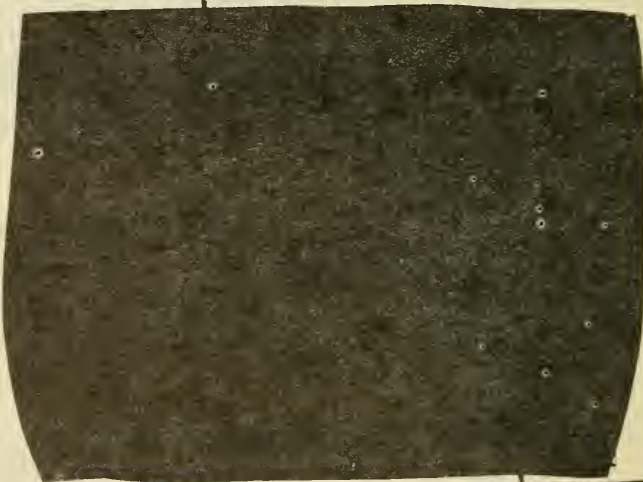
MCASUSA

Resupply Problems for Insurgents

Problems with supplies are hampering the rebel strategy of forcing the Sandinistas to fight on more than one front. [redacted] are holding up delivery of quartermaster supplies and keeping some insurgents in base camps. In addition, the air resupply link to more than [redacted] is threatened by increasing Sandinista scrutiny and by the unreliability of the chartered aircraft and pilot the rebels are using. (S NF NC OC)

According to a rebel commander [redacted] are preventing quartermaster supplies, especially boots, from reaching rebel troops and have forced about half of their estimated [redacted] men to remain in their base camps. Two sources say, however, that the insurgents have adequate weapons and ammunition and that problems with food supplies appear to have eased since US funding became available to buy and transport food locally. (S NF NC OC)

1/28/76



4549

C11N 1391

UNCLASSIFIED

continued
[redacted]
26984

Top Secret
TCS 2706/86 - *dy 10X2*
8 January 1986

Top Secret

UNCLASSIFIED

C 3328

Resupplying Units Inside Nicaragua



Outlook



Exemption Authority
26985

UNCLASSIFIED

CIIN 1391

Top Secret
TCS 2706/86
8 January 1986

Top Secret

UNCLASSIFIED

C 3329



UNCLASSIFIED

Top Secret
TCS 2706/84
8 January 1986

CIIN 1391

Executive Registry

26986

UNCLASSIFIED

8 January 1986

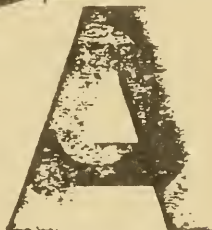
C 3330

MEMORANDUM FOR: Director of Central Intelligence
FROM: SA/DCI
SUBJECT: NSC Meeting on Central America, 10 January 1986

You are scheduled to attend an NSC meeting on Central America at 1100 hours on Friday, 10 January 1986 in the Cabinet Room. According to the notification from the NSC Staff, this meeting will focus primarily on U.S. policy toward Nicaragua.

2. At the TABs you will find the following material:

- TAB A This TAB contains briefing notes providing a general overview of Nicaragua in the Central America context prepared by NIO/LA to support your introductory remarks.
- TAB B This TAB contains a paper submitted to the NSC for this meeting by C/CATF on the status and future effectiveness of the Nicaraguan democratic transition.
- TAB C This TAB contains the State and DoD position papers prepared for this meeting and briefing notes thereon prepared by NIO/LA.
- TAB D This TAB contains the weekly highlights from DO/CATF.
- TAB E This TAB contains the weekly Central America report #29 and the Nicaragua-El Salvador Tactical Update for 2-8 January 1986 from DI/ALA.



CIN 1392

UNCLASSIFIED

Executive Registry
26987

UNCLASSIFIED

C 3331

UNCLASSIFIED

NO ANNOTATIONS OR MARKINGS

DUPLICATE of 26,906 - 26,920

26,988 - 27,004

24-76

DOCUMENT UNAVAILABLE.

24-774078

UNCLASSIFIED

Chapter 24 File 27/78

C 3315

1450 7 Jan 78
NSC the only

DCI DDCI



DCI wants to make the emergency
the stark -- either we go all
out to support them or they'll
of some other device

DCI wants to add some detail
on how we are going to
strengthen the FDI

DCI wants to change the aid
figures to over 25 billion in
the next 4 years

DCI wants a strong stand on Cambodia

Parham/ DeLo. 5/11/78
under para 20
by B. 3357, 3360, 3361, 3362, 3363

Lucas Registry
26972

4550

CIIN 1387

UNCLASSIFIED

UNCLASSIFIED

C 3316

It's needs something on the
 new leadership in Costa Rica,
 Guatemala and Honduras and
 what their views are likely
 to be toward the Communist
 and Salvadoran insurgencies --
 also, what about investments

UNCLASSIFIED

CIIN 1387

Executive Registry

26973

UNCLASSIFIED

Mr C wants Talking pts broader

C 3317

- ~~status~~ of the insurgency
- ~~role~~ of the govt
- what does it mean -- we need to give a good picture of the external support Nicaragua has received, the infrastructure built, the Cuban role
- needs something on the other countries
- something on the Contadora process (why we should get out of it)
- Mr C wants hard data !

* get copy of Fall 85 Strategic Review

1. insurgency - how is it doing - size, ^{strength}, etc.
potential
2. Govt - economic struggle -- where is it at
3. Population -- degree of dissatisfaction
4. Internal Disposition
5. External Support -- magnitude
6. Strategic Situation --
what are neighbors doing
risks & feasible objectives

C.I.N. 1387 UNCLASSIFIED

Executive Registry

26974

24-79

Chap. I - 24 FN
C 4929 79

UNCLASSIFIED

4/25/88

SANDINISTA MILITARY ACTIONS AND INTENTIONS

4551

Since early 1986, an analysis of all intelligence sources indicates the Sandinistas have focused their military activities primarily on disrupting FDN infiltration efforts while at the same time attempting to prevent the resupply of insurgent units operating deep inside Nicaragua.

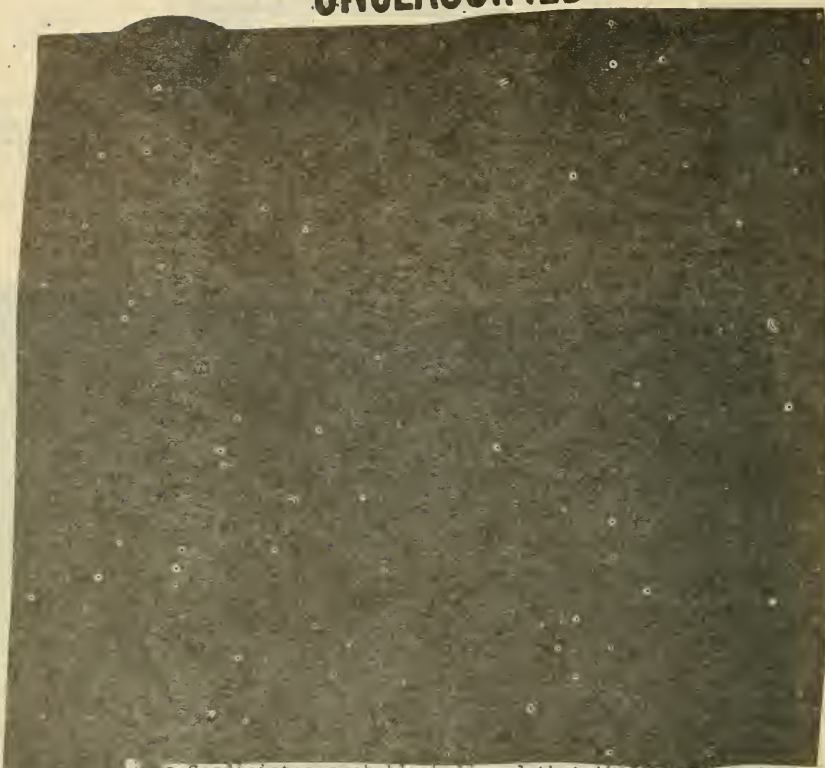


Executive Registry
38,009


UNCLASSIFIED

CIIN 1912

C 4930

UNCLASSIFIED

The Sandinistas probably believed that there would, as usual, be the Honduran reaction to the incursion, and that their forces could quickly move out and return to Nicaragua. Indeed, one of the captured Sandinistas stated the goal of the operation was to sweep into the salient, attack the CIM, and then exfiltrate to the west.



CIIN1912

UNCLASSIFIED

38,010

C 4931

UNCLASSIFIED



CIIN 1912

UNCLASSIFIED

Executive Registry
38,011

UNCLASSIFIED

C 4932



C11N1913

UNCLASSIFIED

Executive Registry
38,012

UNCLASSIFIED

74 - 24 PNth 80
15:
N 38893

THE WHITE HOUSE
Office of the Press Secretary

24-80

PRESS BRIEFING
BY
LARRY SPEAKES

March 25, 1986

The Briefing Room

9:51 A.M. EST

INDEX

SUBJECT

PAGE

ANNOUNCEMENTS

President's Schedule.....1
Economic Policy Council
Bilateral Investment Treaties/USTR

DOMESTIC

Balanced Budget/Federal Budget.....1-2, 23
Consumer Price Index/Inflation.....1-2
Durable Goods.....2

FOREIGN

U.S. Aid to Contras/Nicaraguan
Incursion into Honduras.....1, 3-10, 23
Gulf of Sidra/Libya and U.S. Navy Confrontation.....11-23
Tokyo/Bombing of U.S. Embassy.....20

EST

10:38 A.M.

#1729-03/25

1/25/87

4552

UNCLASSIFIED

UNCLASSIFIED

N 38894

THE WHITE HOUSE

Office of the Press Secretary

PRESS BRIEFING
BY
LARRY SPEAKES

March 25, 1966

The Briefing Room

9:51 A.M. EST

MR. SPEAKES: Today, the President has, at 2:00 p.m., an Economic Policy Council meeting. Davis-Bacon is the subject. Continuing discussions about what we do on that.

That's basically it, except for staff meetings and congressional phone calls, both on the balanced budget and on Nicaragua.

Balanced budget schedule to be voted on this afternoon and -- very late, and then we're -- some votes short. The President continues to work. It's a tough, tough but doable, as we used to say.

Nicaragua, he'll make some calls on that. That will be laid down in the Senate late today, and chances are it will be voted on late tomorrow afternoon, although it could spill into Thursday.

Twelve o'clock noon briefing.

A couple of other announcements. The President today is sending a package of six bilateral investment treaties to the Senate for ratification. They are with Turkey, Panama, Haiti, Senegal, Zaire and Morocco. The first -- these are the first bilateral investment treaties ever negotiated by the United States. The treaties will guarantee protection for investment that is helpful to the economies of these developing nations.

A press release providing details will be issued by the Office of the United States Trade Representative this morning, and a briefing will be held by the Assistant U.S. Trade Representative Harvey Bail, Room 101, Winder Building, which is at 500 17th Street Northwest at 11:00 a.m. We will have copies of the Senate notifications of the treaties available here at 11:15 a.m.

I've got other statements on consumer price index, Libya and Honduras.

Consumer price index fell four-tenths of a percent in February. This is the largest month of decline since November, 1953. As expected, the drop in inflation is largely due to energy prices. However, the 3.0 percent energy price decrease was accompanied by seven-tenths of a percent in food prices, and these, of course, two major consumer items.

Today's news, when matched with a sizable six-tenths of a percent February growth in personal income means that real income for the average American rose by a full percentage point last month. All of this can be translated into a very simple message. Americans are making more money and with inflation virtually nonexistent, they can buy even more goods and services with it.

UNCLASSIFIED

UNCLASSIFIED

- 2 -

N 38895

Inflation for the past 12 months rose at only 3.2 percent rate; a remarkable record of achievement for President Reagan, who faced 11 percent inflation when he took office in 1981.

While the wealth of good economic news should be welcomed by us all, the Congress must bear in mind that the President does not intend to allow the lack of congressional resolve to unravel what the administration has accomplished in 40 months of economic expansion. His 1987 budget stands for continued growth with no big tax increase or dangerous cuts in defense spending. Congress must not take the easy way out and risk damage to the nation's economy.

Q Does the Federal Reserve Board deserve any credit for the reduction in inflation?

MR. SPEAKES: I'm sure they do.

Q What's the explanation for the durable goods portion of today's economic --

MR. SPEAKES: Those are fluctuating indicators that will go up and down from time to time. I think this is just one of -- just one among many, and others have not risen in other months, it's just one month.

Q Larry, does the language on no big tax increases leave the door open for a lot of small ones?

MR. SPEAKES: No. Our budget is out there and it explains exactly what we're talking about on revenues.

There's a large backlog, Frank, wherever you are, and shipments will be on the rise in the next few months ahead. That's durable goods.

Do you want to cover --

Q Let's go to the other --

Q Honduras request.

UNCLASSIFIED

UNCLASSIFIED

N 38896

MR. SPEAKES: Honduras first, then Libya. During the last -- within 48 hours of the House rejection of aid to Nicaraguan resistance, Sandinistas military units crossed into Honduras in a large scale effort to attack JNO and FDN camps, training centers, and hospital facilities. The numbers are up to 15,000 Nicaraguan --

Q You mean 1,500.

MR. SPEAKES: -- 1,500 Nicaraguan military troops that are involved in the incident there. The president of Honduras has requested that the United States provide urgent military assistance. We're considering this request. It would include troop lift capacity as well as other type of material and services that would be furnished.

The President is considering this request. If the President does make an affirmative decision, which we would anticipate that he would do later today, he would exercise his authority under Section 505A of the Foreign Assistance Act that would provide Honduras with \$20 million in emergency assistance. This is under consideration and we would expect the President to make the proper notification for Congress if he decides to in favor of this.

There is no War Powers consideration in this area. Whatever troop lift that would be considered would probably be well outside of the zone which the fighting is taking place in southern Honduras. There is no plan to keep Congress into session for any reason. This is a notification and does not require approval.

So, Bill?

Q Larry, derivation of a \$20 million amount. Is it Honduras' request or is that --

MR. SPEAKES: The \$20 million would be a transfer of goods and services totalling up to \$20 million and, that is Honduras' request. That's what it would take for them to meet this emergency situation.

Q -- asking for \$20 million.

MR. SPEAKES: They have asked for a number of goods and services that would total up to \$20 million.

Q -- air lift capacity --

Q Troop lift capacity?

MR. SPEAKES: Troop lift capacity, that would have to be determined -- it'd have to be in defense, I would judge it would helicopters.

Q We would provide the airlift. It's not that we would turn over the vehicles to Honduras.

MR. SPEAKES: That's right. We would provide the aircraft.

Helen?

Q Has it been any confrontation between Honduran and Nicaraguan troops and are the Nicaraguans still there and where are they?

MR. SPEAKES: The Nicaraguans --

Q Why hasn't Honduras said so?

MR. SPEAKES: The Nicaraguans are still there. They're still involved in fighting. Whether there's been any direct contact

UNCLASSIFIED

1729-03/25

UNCLASSIFIED

N 38897

between Hondurans and Sandinista forces, I don't know.

Q Contra forces?

MR. SPEAKES: There has been direct contact between them and considerable lost of life. Let me see if I have those figures. Resistance units have reported 16 killed and 40 wounded in the last two days of battle.

Q Who?

MR. SPEAKES: They've reported that several -- Contra forces -- they reported that they've captured several Sandinista prisoners and have accounted for a large number of Sandinista casualties.

Q Does it appear that these Nicaraguan forces went into Honduras because they wanted to try to destroy the Contras before aid, more aid, could be forthcoming?

MR. SPEAKES: We can't make that judgment but it is certainly a interesting coincidence that Ortega

UNCLASSIFIED

UNCLASSIFIED

N 38898

ordered these steps taken just hours after the United States Congress had voted down the request for Contra assistance.

Q Larry, can you clarify the confusion over denials from many people in Honduras -- official statements? Can you tell us when the request came?

MR. SPEAKES: The request was received sometime during the -- midday yesterday, right?

MR. DORNESIAN: Midday to last night we were working on it.

MR. SPEAKES: Okay. We worked on it, but I think we'd had notice of the request midday yesterday.

MR. DORNESIAN: Right.

Q Even while Honduran officials were telling reporters that no such request was being made and that there was no confrontation underway?

MR. SPEAKES: These are the facts, and I think the Hondurans will back it up.

Q Can you narrow down for us where the geographical location of this --

MR. SPEAKES: I don't have the specifics on geographical -- it's in southern Honduras, but I don't know. I can't --

Q -- names --

Q President's name -- did he ask -- Honduras?

MR. SPEAKES: Azcona -- President.

Q Are they requesting this under the Rio Treaty? Are they going to the OAS? I mean, is there --

MR. SPEAKES: I don't think so.

Q Is it simply a request to --

Q Well, what does their request say is going on? I mean, they don't publicly acknowledge the Contras even exist in their country. Now -- what are they saying -- that Nicaragua's invaded their country to fight them, or what?

MR. SPEAKES: I don't think they've been specific. This is -- this, under our law, comes as a -- was looking for urgent U.S. military assistance. I think there's a legal phrase under Section 50A that requires -- unforeseen military situation which exists in Honduras.

So -- David.

Q What do we think is the motives -- are the Sandinistas trying to deal a death blow to the Contras before we can get the aid down there?

MR. SPEAKES: We think that's -- that would be a highly likely motivation on their part. We do not think this appears to be a hot pursuit-type of an action there.

Q Larry, do you link this directly -- Nicaraguan actions with the loss in the House?

MR. SPEAKES: I can't put myself in the mind of the Sandinista government and discover their motivations. The facts

UNCLASSIFIED

11700-00/00

UNCLASSIFIED

N 38899

speaking for themselves -- within 40 hours as we started.

So --

Q But you leave the impression --

Q You indicated earlier that the President doesn't anticipate asking Congress to extend its session. Might the President be considering a special session during the Easter recess to -- for the House to entertain its second vote on more Contra aid?

MR. SPEAKES: No, there's no plan for that.

Q Is this money going to be reprogrammed? I mean, how physically -- legislatively --

MR. SPEAKES: It comes from Defense funds and it goes into foreign military assistance program. It's a SOA transfer.

Q With the House not in session, how does that work?

MR. SPEAKES: Just notify them.

Q It can be spent without -- just notification?

MR. SPEAKES: Yes, just notify them.

Mike.

Q Can you get an answer to the legal questions about whether they are acting under the Rio Treaty?

MR. SPEAKES: Well, I think you'd have to ask for them. I don't know. They're just asking us for assistance and we're providing it.

MR. DJERJIAN: That question just simply hasn't arisen.

MR. SPEAKES: What?

Q But assistance for what, though?

MR. SPEAKES: An urgent military situation that is just on their border.

Q Don't they have to tell us what the situation is? Are they saying to us that they had been invaded by their neighbors?

MR. SPEAKES: I have not seen their words. I don't know what they have said, but this is the situation that exists.

Mike.

Q Can you tell us how deeply the Sandinistas have penetrated Honduran territory and whether or not they've reached any occupied areas?

MR. SPEAKES: What we have is that there were -- large Sandinista military force conducted four assaults on a resistance training center that's located 15 kilometers north of the Nicaraguan-Honduran border. That took place in the early morning of March 23. I don't have any other specifics.

Q -- mentioned a hospital.

MR. SPEAKES: The Sandinistas were supporting their units with heavy artillery fire, volleys of rocket fire from Soviet-made BM-21 multiple rocket launchers and MI-3 gunships.

UNCLASSIFIED

#1733-03/83

That is described here as well inside of the Honduran border. I don't have a --

Q The gunships are inside of Honduras?

MR. SPEAKES: -- indicator -- yes.

Q Do we have reports of any assaults after the 23rd?

MR. SPEAKES: I don't think so, Sam.

Q Do you think -- is there any way to know --

MR. SPEAKES: The State Department is going to have a lot more detail on this at 12:00 noon today. I just don't have that much.

Q Larry, will U.S. military --

MR. SPEAKES: Wait a minute. Take it easy. We don't do that here, Mike, since you left.

Q I know that.

MR. SPEAKES: Okay, go ahead.

Q That's what I've been told.

MR. SPEAKES: Oh. What do you have? You were next in line. I was just reading ahead. Go ahead.

Q Okay. Is it possible that U.S. military personnel will be involved in lifting troops into combat areas?

MR. SPEAKES: Well, as I indicated that it would be our desire that this airlift would take place to an area outside of a combat area.

Q And U.S. military personnel, then, you would do the best you could to avoid them being involved in combat?

MR. SPEAKES: Yes.

Q But they'd have the right to fire back if fired upon?

MR. SPEAKES: It always exists.

Q Larry, are you characterizing this attack in any way as an act of aggression or a violation of Honduran sovereignty, or what?

MR. SPEAKES: I think we would leave those type of statements to them.

Eleanor.

Q Larry --

Q Well, the thing is, they're requesting aid in a certain context. What is your understanding of the context?

MR. SPEAKES: That's the same question Plante did. I've not seen the message from President Azcondá. It's an urgent military situation, and that's the way it is described under our law, so I don't know.

Okay, Eleanor?

Q Larry, do you think it's likely that this action by

UNCLASSIFIED

N 38901

the Sandinistas might encourage the Congress to vote the aid for the Contras the way Ortega's visit to Moscow did last year?

MR. SPEAKES: I can't make a judgment on that. I think Congress will take due note of it, though, and understand the situation as we've described it over the last several months.

Joe.

Q Beyond the troop lift, can you give us some examples of the goods and services requested?

MR. SPEAKES: No, I don't know.

So -- Dick -- Helen.

Q It sounds like the Honduran troops want to confront the Sandinistas.

MR. SPEAKES: I don't --

Q Is that what they want the aid for?

MR. SPEAKES: I don't know. That's --

Q Why would they put their troops -- they want to put their troops at the front, don't they?

MR. SPEAKES: Well, you know --

Q Defend their country.

MR. SPEAKES: -- it's kind of like Weinberger said yesterday -- walking along a walk and somebody takes a shot at you, you want to defend yourself. If somebody breaks into your house, you might want to get some folks up by the front door -- help you out.

Charles.

Q Larry, would this troop lift capacity utilize that which is already in the Honduras --

MR. SPEAKES: I don't know. Yes, I don't know. You would have to ask the Defense Department after the President approves this request.

Q And if I can follow, was there any request for any kind of weaponry of a sort that might be transferrable to the Contras?

MR. SPEAKES: Once again, I don't know.

Frank.

Q Does this incursion affect the need, the urgency or the strategy for the aid request for the Contras themselves?

MR. SPEAKES: We've already stressed that it is a matter of utmost urgency, and I think this underscores the urgency of the situation.

Carroll.

UNCLASSIFIED

UNCLASSIFIED

N 38902

Q You said earlier that Ortega had wanted this incursion. What is that based on? Is that U.S. intelligence talking?

MR. SPEAKES: No, it would be our judgment that Sandinista forces would not operate. We hope they're not freelancing. We hope that they would probably be under the direction of somebody but then again, six-one - half a dozen of the other.

Norm?

Q Is this assistance being framed as necessary to repel the Nicaraguan incursion order, you've got some kind of longer term objective on securing the border?

MR. SPEAKES: I just don't know. We'll have to come up with the specifics on that.

Q Yes, that's going to be addressed in your notification, won't it?

MR. SPEAKES: You guys paying attention over here? You know what Norm wanted?

Q No, I'm sorry.

MR. SPEAKES: See Norm after the briefing. See Plante after the briefing. See the following guys that are --

Q I mean, it would be better -- maybe you could find the aid?

Q You can't talk all at once.

MR. SPEAKES: State Department is going to have a lot more detail on this than I have had. We've dealt with it overnight. We've come up with this for the morning. This is as far as we know at the moment. You may be a bit ahead of the game as far as our decision process is concerned. I've indicated that we received request. We've got it under consideration. I have not seen what the President is going to ask for nor the terms he framed it in. So --

Dave?

Q Larry, has the U.S. government suggested to the Honduran government that it can evoke any of the elected security provisions of the Rio Treaty?

MR. SPEAKES: Not that I'm aware of.

Ira?

Q What's the basis for you saying that you don't believe that the Sandinista troop movement then is a hot pursuit situation?

MR. SPEAKES: There -- certain information that we received from those troops that are involved in the situation there that indicates that it is not a hot pursuit situation; that there are clear cut objectives on the part of the Sandinista troops cross the board.

Q -- from the Contra side?

MR. SPEAKES: That's right.

Q Would our response be any different if it did appear that it was a hot pursuit -- one or two days actually chasing

UNCLASSIFIED

UNCLASSIFIED

N 38903

guerrillas?

MR. SPEAKES: I don't know. It's an "if" question?

Walter?

Q Larry, you said early on in your statement that there were some hospital facilities of the Contras that came under attack.

MR. SPEAKES: Right.

Q Can you amplify on that.

MR. SPEAKES: Walter, I don't know if I have that information -- that is any more.

Q Were some of the casualties on the Contra side from the hospital?

MR. SPEAKES: I just don't have that type of information yet.

Q Let me ask you also -- U.S. troops on maneuvers in Honduras, how close are they to the scene of the fighting at this time?

MR. SPEAKES: The Defense Department would have to tell you that. I don't know what the distance is.

John?

Q Larry, I heard that there's one report suggesting that the Nicaraguan troops had set up some sort of temporary base across the border in Honduras from which to coordinate their activities.

MR. SPEAKES: I don't have anything on that.

Pat?

Q Will we be supplying any intelligence help or reconnaissance help to the Hondurans?

MR. SPEAKES: I don't know?

Miles?

Q Do we have any U.S. personnel at all in the immediate area where the --

MR. SPEAKES: Once again, I do not know what the situation is. Bob, you don't have anything on that, do you?

COLONEL O'BRIEN: I don't believe so.

MR. SPEAKES: Does not think so here but we'll check.

Q Larry, there's been reports that a lot more Sandinistas troops are moving up toward the border. Can you confirm those reports.

MR. SPEAKES: I don't have anything on that. Okay.

John? Libya?

Q We're ready to move on to Libya. May we do that because of the degree of

UNCLASSIFIED

1729-03/25

UNCLASSIFIED

N 38904

public interest on camera?

MR. SPEAKES: I don't think so, sorry. To begin with yesterday -- and I'll cover that quick and then pick up where we left off yesterday -- at 7:52 A.M. -- and this -- all of this material has been released by the Defense Department -- 7:52 A.M., two SA-5's fired at an aircraft in the Gulf -- U.S. aircraft.

Q This is yesterday?

MR. SPEAKES: Yesterday. Late morning, two MiG 25's were airborne and approached our aircraft and turned back. 12:45 P.M., two SA-5's and one SA-2 fired at aircraft in the Gulf. Then at 2:15 P.M., one SA-5 fired at an aircraft in the Gulf. We have six confirmed firing over the period of missiles. At 3:17 P.M. yesterday, and this is continuing where we were yesterday, an A-6 from the carrier America destroyed a La Combattante, class fast attack missile patrol craft with harpoon anti-ship cruise missiles. This was on the 32-30 line.

At 3:17 P.M., two A-7's from the Saratoga, launched a HARM missile -- the high speed anti-radiation missiles -- at the site -- SA-5 site and inflicted some damage -- I'll come back to that -- . At 4:15 P.M., Nanutcha, which is a patrol craft, was attacked -- a missile patrol craft -- is attacked by A-6's. This included -- this was inside of the 32-30 south of it -- and it was near Benghazi. It was damaged but the missile boat returned to port at Benghazi.

Now, this is basically picking up -- I don't think you had that yesterday -- at 6:12 P.M. yesterday, the USS Yorktown fired two surface to surface missiles and sank a Wadi patrol boat. The damage assessment was there was debris floating on the water. Boat destroyed. This was outside, north of, considerably north of, the 32-30 line. 6:45 P.M. last night, two A-7's from the Saratoga, struck an SA-5 missile site at Sirte. We do not have damage assessment on that at this time. So that's two separate firings of missiles at the Sirte site.

At 1:07 A.M., that's today, two A-6's, one from the Saratoga, one from the Coral Sea, struck an Nanutcha patrol boat near Benghazi. Damage assessment; boat dead in the water; on fire; life raft seen in the water; Libyan helicopter search and rescue mission in progress. This is outside of the zone. So the totals are three patrol boats sunk, one damaged. Three of these four that we were involved with were outside of the 32-30 line, north of the line. Well, two were north of it, one on it, and one south of it near Benghazi so, they're operating considerably north of 32-30 approaching the fleet.

There were no U.S. casualties and no damage to aircraft or ships on the U.S. side.

UNCLASSIFIED

MORE

1720-03/25

UNCLASSIFIED

N 38905

- 12 -

Questions on that?

Q Yes. Any more action since the 1:07 a.m.? I take it not.

MR. SPEAKES: No, there has not been any action reported to us since then. It's been generally quiet in the region. Our freedom of navigation exercise continues south of 32-30.

Q Weinberger talked of a fifth boat at his 9:00 briefing? Was he mis-speaking?

MR. SPEAKES: I think that was one that was shot at. Do we -- we've got that. That's the one off the Turner -- fired two harpoons at 5:49 p.m. yesterday at an unidentified contact in the vicinity of anti-aircraft fire. This took place, also, considerably North of 32-30 and we do not have any confirmation of a hit on that. That's the one he was talking about.

Q Larry, from what we understood yesterday, there is only one SA-5 missile battery in Libya --

MR. SPEAKES: That's correct.

Q -- at Syrte and the Secretary said that it was knocked out by the initial attack. Is that --

MR. SPEAKES: He said that yesterday. That's not what he said today.

Q Have we re-evaluated that? Was it knocked out and we hit it again, is that it? It's the same site.

MR. SPEAKES: Well, the situation involving an SA-5 site is that we operate and we make judgments, particularly at nighttime, with our overflight, at nighttime by the operation of the radar. The radar went down yesterday and that caused us to at least consider the possibility that it had been knocked out. They also operate with multiple radar sites in the area of the SA-5 site, and some considerably away from it. One could have been knocked out and others.

We do have confirmation of damage to it. The site, an hour ago, was down and not operating. It has been up and down through the night. But whether it is knocked out, depends. They have additional spare parts and equipment stored in various localities in the country that they could bring in to make it back operational. So, we do know it was damaged. We do know it was down for a period of time. We do not know whether it is inoperative or can be made operational. We do not have any casualty reports. We do not have any information regarding Soviet presence there, either pro or con.

Q Is there any indication on the capacity of that site -- how many missiles there might be there?

MR. SPEAKES: I think we do have that. Is that something we should not talk about? Okay. We do know that there are a number of missiles there, so it has multiple missiles at that site.

Q The Libyans say that there was a hit taken on the adjoining town. Does the damage report indicate anything like that?

MR. SPEAKES: We don't have that, no.

Q Are you saying no, or you don't have it?

MR. DJEREJIAN: We don't have any indication of that.

MR. SPEAKES: We don't have it. Yes, let me --

UNCLASSIFIED

#1729-03/25

UNCLASSIFIED

N 38906

Q Yesterday we said that the attack on the missile site at Syrte was prompted by the launching of the SA-5 missiles. Is our posture now there beyond -- moved beyond retaliation and to a pre-emptive move?

MR. SPEAKES: No. I wouldn't predict what the operation of the fleet might be or the aircraft operating off the carriers might be in the future. The action taken against these two missile sites were HARM missiles. HARM missiles operate when radar comes on at the site and that indicates to us that they're preparing to lock-on and fire.

Q So this second attack on Syrte was --

MR. SPEAKES: Was HARM missiles.

Q -- prompted by another --

MR. SPEAKES: Another lock on -- another turn-on of the radar. And I'm not talking about the future.

Helen -- then I've got to work with the back.

Q What about the War Powers Act? Is the President reporting today?

MR. SPEAKES: The War Power situation -- we've had continuing informational discussions with Congress and we'll do so more today. We'll keep them updated through the day. This matter of War Power is being reviewed by the lawyers at State, Defense, White House and Justice. And we will make a determination about it in the future.

Q Can you be a little more specific about the consultations today -- timing?

MR. SPEAKES: There's no specific timing. They'll just be kept updated through the day.

Q Are leaders coming down or the President going to see anyone?

MR. SPEAKES: No plans for that.

Q Should the President have -- should the President have consulted Congress in advance because of a policy that might have led to U.S. forces being put in a danger zone?

MR. SPEAKES: Congressional leadership on -- both Republicans and Democrats -- both House and Senate, chairmen and ranking member of the Foreign Relation Committees of both Houses were notified when we filed the notice of intent in the region. Once that we were required to respond, they were notified and briefed promptly.

Q You said yesterday that we would consider all the Libyan forces, vehicles, I guess, that move toward us to be of danger to the fleet. Was this patrol boat near Benghazi, in fact, moving toward the fleet or in some way --

MR. SPEAKES: Yes, he was moving toward our operations in the Gulf.

Q Do you know how far away he was?

MR. SPEAKES: Well, the range of those -- or La Combattante, for instance, these were Nanutchu -- right down in Benghazi -- what's the range on that?

COLONEL O'BRIEN: 40 miles.

UNCLASSIFIED

UNCLASSIFIED

N 38907

MR. SPEAKES: 40 miles on that one too. The missile range on that is 40 miles. We don't let them get that close.

Bernie?

Q Larry, are there any plans for further U.S. forces to be moved into the region?

MR. SPEAKES: I don't know the answer to that. I guess, Bernie, we'd have to talk to Defense.

Q Larry, how close to Libyan airspace or to shore have American aircraft come?

MR. SPEAKES: Aircraft were remaining outside of the 12-mile limit that's the internationally recognized territorial waters.

Q Have American aircraft made runs at Libyan shore-based installations to trigger radar?

MR. SPEAKES: I don't know that kind of detail.

Frank?

Q Can you clear up whether or not there were more missiles fired overnight by the Libyans? Snultz just now --

MR. SPEAKES: Yes. We have confirmation of six.

Q Six additional ones from the ones --

MR. SPEAKES: No, six that we announced and all six that I've described here. There are reports of other missiles. There are various ways that we get information about missile firing -- radar, visual and other means. Sometimes you get various sources reporting the same missile. We're sorting that out right now, but we do know of confirmed six and there are reports of, as Boo Sims reported today, up to 12, but we only have confirmed six.

Q Larry, were the Soviets notified in advance of our intention to respond to the missile firing?

MR. SPEAKES: The Soviets were notified -- or at the beginning of the exercise. A notice of intent was notified. We've certainly made our views known to the Soviets over a period of years.

UNCLASSIFIED

UNCLASSIFIED

N 38908

Yesterday, there was -- what did I do with that? Ed?

MR. DJEREJIAN: Armacost and the Soviet charge --

MR. SPEAKES: We met with the Soviets -- Mike Armacost at the Defense Department -- at the State Department and the Soviet charge met last night at the State Department to discuss the matter. I don't have any details out of that meeting.

Bill?

Q How soon will you exercise -- the possibility of the exercises in the Gulf -- wind them a little bit early, say, on Thursday?

MR. SPEAKES: We have not -- the notice of intent goes through April 1st, midnight April 1st, which is Sunday, and that not necessarily coincide with the end of the planned exercise. We have not announced at what period the exercise extends to and we won't do that. We will continue the exercise and when the Sixth Fleet has determined that the exercise is concluded, then they will certainly conclude it. But to end before Sunday is simply the period that we've filed the notice of intent to operate in the region.

Q Yes, the Wadi class patrol boat, how many men does it hold? How big is that?

MR. SPEAKES: The Wadi patrol boat? Let's see here. Have you got that before you?

COLONEL O'BRIEN: Fifty-eight.

MR. DJEREJIAN: Fifty-eight.

MR. SPEAKES: Fifty-eight personnel onboard and a normal complement of staffing on the Wadi.

Dave?

Q And the range -- it's a missile boat also?

MR. SPEAKES: The missile boat -- 40, about 40 miles on that.

Q Is our trip still on, Larry?

MR. SPEAKES: Yes.

Dave.

Q Could I clarify your response on Mike Putzel's question a little while ago regarding the missile site? If I read you correctly, you said we have knocked out two radar --

MR. SPEAKES: No.

Q We have not?

MR. SPEAKES: No. I said there has been damage. I did not give any specifics. I indicated that there are more than one radar operation usually in the vicinity of these SAM sites.

Q These radar bays there, you knock them out, you blind the missile site.

MR. DJEREJIAN: That's right.

Q A missile site has how many launchers?

MR. SPEAKES: We're not -- yes, I didn't specify that,

UNCLASSIFIED

UNCLASSIFIED

N 38909

and won't.

Q There could be a limitless number of missiles. It's the launchers that count.

MR. SPEAKES: That's right.

Q And we have damaged some of those launchers?

MR. SPEAKES: I didn't say that. I said there's been damage to the site. I wasn't any more specific than that, and really won't be.

Q How many radars have we damaged?

MR. SPEAKES: I'm just not going to be specific on it.

Q Another question. Can we disengage from that area as long as there is hostile action going on without it appearing that we're turning tail and running?

MR. SPEAKES: I think the results speak for themselves. But the fleet will make that determination.

Q The President will not make it?

MR. SPEAKES: No.

Suzanne.

Q Larry, just to clarify what you said earlier, did you say the President has no specific meetings on this today?

MR. SPEAKES: No specific meetings with members of Congress.

Q Okay. How is he being briefed?

MR. SPEAKES: He was briefed in his normal 9:30 a.m. session with Admiral Poindexter this morning. There are no other meetings scheduled on this subject for the day, but he certainly will be kept advised through the day.

Q Has he spoken with Secretary Shultz by telephone?

MR. SPEAKES: No, not by telephone.

Ira.

Q Two quick questions to review what you said. Is any Libyan boat in between 32-30 and the 12-mile limit subject to attack?

MR. SPEAKES: If it approaches the fleet.

Q But if it's going sideways or back towards Libya -- that's the determination, which way it's headed?

MR. SPEAKES: I don't know. The commander on the scene has the authority and he'll do what's necessary to protect the fleet.

Q And a follow-up to that, when you said the fleet commander is making the decision as to when to break it off or when to engage?

MR. SPEAKES: You mean in specific instances out there or when they end their exercise?

Q Well, both, actually.

MR. SPEAKES: To end specific engagements, yes. That's

UNCLASSIFIED

#1729-03/25

UNCLASSIFIED

N 38910

within the discretion of the local commander, not necessarily the fleet commander, but the guy out there on the scene and not the guy back on the carrier. As far as the end of the exercise, I think that will be a joint determination with Washington and those operating in the area.

Q Do we take seriously the threats --

MR. SPEAKES: Candy?

Q Do we take seriously the threat to blow up American oil installations, to hang and execute Americans in the area that Qaddafi is --

MR. SPEAKES: I'm just not going to respond to him.

Candy.

Q Just to follow up on Frank's question several hours ago -- (laughter) -- what you were saying is --

MR. SPEAKES: -- been here a little while.

Q -- the only confirmed firing since you last talked to us yesterday has been from the U.S. side, is that correct?

MR. SPEAKES: That's -- I presume, yes. There have been six in all and I reported six yesterday.

Q Right.

MR. SPEAKES: But the firing from our side has been on patrol boats approaching our units.

Q Okay, and since you talked to us yesterday, you have not attacked the missile sites?

Q Yes.

Q Yes.

Q Where are we here?

Q You have, right?

MR. SPEAKES: Yes. Let's see, I reported that at what? At 4:00 -- at 3:17 p.m. yesterday?

Q No, you said at 6:45 p.m.

MR. SPEAKES: Okay, 6:45 p.m. We had a 3:17 p.m. and a 6:45 p.m.

Q So the situation is since the initial six firings from the Libyans, there have been no confirmed Libyan fire, it has all been U.S. fire, is that correct?

MR. SPEAKES: That's correct, yes.

Q Larry, on the War Powers Act --

MR. SPEAKES: Yes.

Q Does the White House accept that the 48-hour requirement is tolling at this point?

MR. SPEAKES: If we were to make a determination that we needed to report consistent with the War Powers Resolution, it would be done in compliance with the law which requires 48 hours from onset of hostility.

UNCLASSIFIED

#1729-03/25

UNCLASSIFIED

N 38911

Q So you don't believe that the 48 hours started sometime yesterday and is now tolling on the requirement?

MR. SPEAKES: The question is, do we believe that we need to report under the War Powers Resolution? We've not made that determination. It would normally be done in 48 hours onset of U.S. involvement in hostilities which would have been yesterday.

Q So you would think within that period you will make a determination as to whether or not --

MR. SPEAKES: That's right.

Q Is there any way of determining the extent of Libyan casualties? You said 27 in one boat yesterday --

MR. SPEAKES: Yes. There's no way to determine, Terry. We know the number of people -- whether there are 58 -- what have we had? We've had two Nanutchas and -- that have 58 and we've had one Combattante that has 27. And so, were there casualties onboard the one at Benghazi, I don't know.

UNCLASSIFIED

#1729-03/25

UNCLASSIFIED

N 38912

Q But do you assume that everyone -- that there are any survivors from these two boats?

MR. SPEAKES: We haven't made any assumptions. We didn't have any indications, except the one that was -- we saw life rafts in the water and a Libyan effort underway, but one was burning and sinking, the other -- there's nothing there but debris.

Q Larry, just to clarify, is it an option to stay in the area past April 1, past the notice of intent period?

MR. SPEAKES: Well, certainly we can do what we want to. The notice of intent is there. Notice of intents have been filed and extended. The exercise is scheduled to run for a given period of time. It will conclude when the commanders decide to conclude. So I don't want to end up with a lead that says that, but it's certainly -- anything is possible.

Frank.

Q Do you have a response to Clovis Maksoof, the ambassador to the League of Arab States who says that foreign ministers will be meeting and will have a resolution of solidarity, etc., etc., and have called for the United States to pull out of the Gulf?

MR. SPEAKES: No.

Charles.

Q Secretary Shultz was asked in Turkey if the purpose was in the -- and the quote, the words of the questioner, were "to put Qaddafi in his box," to which Secretary Shultz said, "The purpose was not to put him in his box, it's where he belongs, though." Is that the attitude of the administration, that Qaddafi belongs in his box, or should be in some way removed from office. What is the actual purpose, to get rid of Qaddafi?

MR. SPEAKES: Certainly, if the man would conduct himself within the norms of international behavior, he could run his country. But when he starts exporting terrorism and expanding and expanding, then that's when he needs to be put back in his box.

Joe.

Q Are you concerned that by virtue of this action in the last two days that you might encourage him to further acts of terrorism?

MR. SPEAKES: I can't make a judgment on that. We were doing a freedom of navigation exercise. We attacked our forces, we responded, and that's that.

Q But have you taken it into consideration that clearly he doesn't have the forces to deal with you on a military basis, thereby by threatening or by doing whatever it is, freedom of exercise, navigation or not, if we put him into a corner where the only forces he's got that are effective are terrorists forces?

MR. SPEAKES: I don't know why that -- well, first of all the Libyan government does have a substantial amount of military hardware at its disposal, including a very large air force operation, which, for some reason, has not been active in this last 24-hour period.

Q They don't want to get shot down.

Q Challenge --

MR. SPEAKES: But they do have a very large air force operation, they do have a number of -- a sizable armored operation,

UNCLASSIFIED

11720-03/00

UNCLASSIFIED

N 38913

- 20 -

and they do have some missiles. They have a number of Soviets that are advising. It is a force that has caused considerable problems for its neighbors militarily in the Middle East repeatedly over the last several years, that they have been involved in Chad and in other areas.

Now, as far as terrorism is concerned, I don't think terrorism is ever a logical response to anything. And certainly not a response to a peaceful exercise that takes place in international waters.

Joe.

Q You made reference earlier to a Libyan search and rescue operation after a ship, or a patrol boat had been sunk. Was that allowed to continue unhindered by the Navy in the area?

MR. SPEAKES: I would assume, yes.

Eleanor.

Q If the administration chooses to stay in the area beyond Sunday, they would have to file another -- an extension on --

MR. SPEAKES: We don't have to. That's a courtesy notice -- a notice of information. A notice of intent is a courtesy notice to operate in a slight information region. It's not necessary. We've done it at times, and other times we haven't.

Q When would that be done if you did it?

MR. SPEAKES: Usually done 24 hours ahead.

So -- Bill.

Q Just to follow on Charles' question, given all that you've said, but also given Qaddafi's track record so far, how would you now assess the security situation as far as American government facilities are concerned or various other American facilities -- in terms of Qaddafi's --

MR. SPEAKES: It's a security situation as much as it has been. We'd take prudent precautions at all times, and certainly in a situation like this. But I can't predict what the man might do.

Q Tightening or increasing it?

MR. SPEAKES: Wouldn't comment on that.

Dave.

Q Any reports from that meeting at State last night or elsewhere that any Soviet personnel were injured or killed?

MR. SPEAKES: Not aware of it.

Andrea.

Q Any connection to the Tokyo bombings?

MR. SPEAKES: Tokyo bombings seem to be some sort of -- homemade device that did not explode. The reporting that I've seen on it -- and this is public reporting -- was that it was some way connected with the economic summit and disrupting that.

Jerry.

Q Excuse me -- not with any groups that might have been Libyan-trained?

UNCLASSIFIED

11729-33/15

UNCLASSIFIED

- 21 -

N 38914

MR. SPEAKES: We haven't seen any indication of that.

Q And can you clarify -- in answer to a previous question, what grounds would lead you to decide that the War Powers Act applies? What conditions --

MR. SPEAKES: If they apply? It's --

Q You're making a decision today about whether to notify tomorrow.

MR. SPEAKES: It's stated very plainly in the War Powers resolution as to what the specifics are that require, and we make a judgment based on those.

Q As to whether or not in this case you'd --

MR. SPEAKES: Report -- Helen, then I'll go to the back.

Q When the charge came to the State Department last night, did he come on his volition? Was he summoned? Was he making a protest?

MR. SPEAKES: At our request is what they say.

Walter.

Q Larry, would you comment on the Post report this morning that the planning for this operation began shortly after the terrorist attack in December and it was designed deliberately to provoke the Libyans into attacking?

MR. SPEAKES: No, I would not comment on that. Our planning for this exercise is a freedom of navigation exercise. I don't know what the date it began, but to put that -- that many U.S. units involved in a training exercise and a freedom of navigation exercise do require considerable planning. These are ongoing efforts that take place on a regular basis worldwide. As far as any provocation, the United States was there on a freedom of navigation exercise.

Q Yesterday, the United States went in with its eyes open and just a moment ago to Charles' question, you said that when they behave this way in international terrorism, that's when it should get put back in the box. The strong implication is the United States is delighted that they responded this way so that we could fire back.

Q Delighted.

MR. SPEAKES: I don't see how you draw that implication. The United States government was conducting a freedom of navigation exercise. We were going into an area that we knew that the Libyans -- that it was a controversial area. Whenever we are operating -- wherever we are operating, our troops are prepared for any eventuality. We were prepared.

Q Is the U.S. government in any way unhappy at this turn of events?

MR. SPEAKES: Well, we would prefer to operate within international waters unhindered.

Q So the U.S. government is not unhappy that this has happened. Is that correct?

MR. SPEAKES: Well, I think you're simplifying a situation, or asking a question that really has no relevance to the situation. We were conducting an operation that we do all over the world. When we went --

UNCLASSIFIED

E1723-33/23

UNCLASSIFIED

N 38915

- 22 -

Q Almost time for the 12:00 noon briefing.

MR. SPEAKES: I know. When we went into that area, we recognized that we were dealing with a man that had irrational behavior in the past. We were prepared for any eventuality. As it turned out, it was wise and prudent.

Pat.

Q Are we likely to see the President at any time today?

Q No.

MR. SPEAKES: Not necessarily planned, but you could.

Miles.

Q Oh.

Q Oh.

Q This freedom of navigation exercise is something that regular military -- is done all the time. When was the last one and where?

MR. SPEAKES: Well, we've operated within the Libyan flight information region 18 times since 1981. We have operated south of 32-30 since -- seven times, now eight times since 1981. There have been others in various localities worldwide.

Q Did you mean to open that box?

Q Yes, I mean seriously.

MR. SPEAKES: Which box?

Q On the President.

Q Things are too --

MR. SPEAKES: You know, if --

Q It sounds like if he decides to send it up for \$20 million, he will come out and tell us.

MR. SPEAKES: You know, don't get Jack excited again, please. (Laughter.) If -- I never --

Q Do you want to give us some guidance?

MR. SPEAKES: No, I don't. Just calm down. If the President decides to do anything today on any subject -- there are many subjects brewing -- there is the Nicaraguan aid situation --

Q Right.

MR. SPEAKES: There is the balanced budget amendment situation, there is the -- the budget, there is the urgent supplemental, which is veto bait, there is the Libyan situation, it's a beautiful spring day with the temperature getting close to 70 -- there are umpteen things he could do today. Right now, there are no plans for the President to come out.

Q Well, he can't throw snowballs again, that's the only thing.

MR. SPEAKES: If the President does decide to do anything, you will be certainly given adequate notice.

UNCLASSIFIED

#1720-03/25

UNCLASSIFIED

N 38916

- 23 -

Dale.

Q On the Nicaraguan --

MR. SPEAKES: And don't come up and ask me afterwards. I've been here for -- what time did we come down here? We've been here a little over an hour.

Q Let's have the 12:00 noon briefing now, get it -- early.

MR. SPEAKES: This may be the 12:00 noon briefing.

Dale.

Q On the question of aid to Honduras, I understood you to say earlier that you anticipated that the President would make an affirmative decision --

MR. SPEAKES: I do. Okay.

Q I want to -- War Powers.

MR. SPEAKES: One more.

Q Is the White House surprised that Qaddafi keeps coming back for punishment, or appears to?

Q Sit down. I have some questions, damn it.

MR. SPEAKES: Never been surprised at anything. Jerry, we skipped you. Let's hear Jerry.

Q Perhaps you've answered this --

Q Is Hickam --

Q -- but do we concede safe haven to Libyan boats if they stay inside the 12-mile limit, and was the boat hit near Dongos. outside the 12-mile limit?

Q I'm going to keep asking.

MR. SPEAKES: Outside the 12-mile limit. Yes. We've not been in there, and I would presume that we would recognize that as --

Q Are you going to win the balanced budget, do you think? Do you have a head count?

MR. SPEAKES: Close, but we've got a way to go.

THE PRESS: Thank you.

END

10:30 A.M. EST

UNCLASSIFIED

#1720-03/25

UNCLASSIFIED
(Security Classification)

*Chapter 24
FN# 82
§ 84*

C 4919

ROUTING			
TO	NAME AND ADDRESS	DATE	INITIALS
1	OIC		
2			
3			
4			
ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	INFORMATION	SIGNATURE	
REMARKS			
FROM NAME ADDRESS, AND PHONE NO.			DATE


CONTROL NO. ER SC5125 86

Copy 10 of 10

24-82+84

Handle Via
UNCLASSIFIED
Channels

Access to this document will be restricted to those approved for the following specific activities:


Warning Notice
 Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
 Unauthorized Disclosure Subject to Criminal Sanctions

4553

UNCLASSIFIED
(Security Classification)

CIN 1907

~~TOP SECRET~~
UNCLASSIFIED

C 4920

3 April 1986

MEMORANDUM FOR: Chief, Central America Task Force, DO
FROM: Director of Central Intelligence
SUBJECT: Sandinista Military Actions and Intentions

1. Here is the material you sent me last night, edited to read more easily. It still doesn't make the point that this is what is trying to be represented as a target of opportunity and the incursion appears to us to be a long-planned effort designed to knock out the Contra forces quickly. Maybe you can get that in somewhere at the beginning, or maybe you feel you can't. I leave that to your discretion.

2. I think this should be used locally for the following purposes:

a. The material, in the form which can be used by our Ambassadors, should be sent to all Contadora and other pertinent Latin America countries. It should be taken in at the highest level of government available in the hope that it will either influence those governments to be supportive of the Contra program and upcoming debate or at least refrain from undercutting its cause up here.

b. A fully sanitized version should be made available to Ollie North, Pat Buchanan, and Elliott Abrams for their purposes here. I'll leave it up to you to get the material on to Elliott, Pat and Ollie. I tried to call Elliott, but he is out of town until tomorrow. You might pass these papers on to him with my suggestion.

3. Also attached hereto is a draft of the piece prepared for tomorrow morning's National Intelligence Daily.

4553

William J. Casey

1/24/86

Copy 10 of 10

Attachments:

- 1. [redacted]
- 2. Draft NID article

Priority Decision Under Review by R. ROSS, National Security

Executive Registry
38,001

CIIN 1907

~~TOP SECRET~~
UNCLASSIFIED
HANDLE VIA COMINT CHANNELS

CL BY [redacted]
RVW OADR

UNCLASSIFIED

C 4921

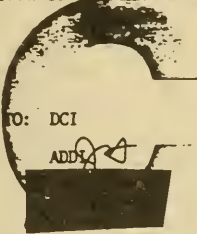
Directorate of Intelligence
Office of African and Latin American Analysis

3 April 1986

MEMORANDUM TO: DCI

THROUGH: ADDL

FROM:



1. Pursuant to your note this a.m., DI and DO redrafted the blind memo on Sandinista Military Actions and Intentions, which is attached. Also attached is the proposed NID feature on much the same topic.

2. The feature was held yesterday because DIA wanted to prepare a dissent. DIA has not yet formally submitted its position, but we have been led to understand that its approach will be that the incident represented more a target of opportunity for the Sandinistas rather than being representative of any clear strategy. Also you should know that in the past we have had some difficulty in coordinating pieces on the fighting with INR which has estimated lower numbers of troops involved in recent operations.



4554

4/25/86

Executive Registry
38,002

CJIN 1908

UNCLASSIFIED

UNCLASSIFIED *Chapter 24 FBI #89*

DCI Telephone calls to/from SecState Shultz between 1 Jan 86 to 31 Oct 1986

C 1697

24-89

- 7 Jan 86 1530 (T) completed 1640
- 10 Jan 86 1715 (T) completed
- 11 Jan 86 0955 (T) completed 1050
- 14 Jan 86 1526 (T) completed 1055
- 27 Jan 86 1110 (T) completed 1155
- 29 Jan 86 1215 (F) completed
- 29 Jan 86 1450 (T) completed 1523
- 7 Feb 86 1710 (T) completed 1845
- 23 Feb 86 1310 (T) completed
- 24 Feb 86 1730 (T) completed 1750
- 26 Feb 86 1750 (T) completed 1825
- 4 Apr 86 1650 (T) completed
- 6 Apr 86 -1200 (T) completed 1215
- 8 Apr 86 1535 (T) completed 9 Apr 86 1441
- 16 May 86 1905 (T) obe (*Family Group 2/1/86 16 114 J*)
- 2 Jun 86 0931 (T) obe per DCI 6/3
- 12 Jun 86 1536 (T) completed
- 16 Jun 86 1550 (T) completed 17 Jun 86 0915
- 2 Jul 86 0845 (T) completed by office call 3 Jul 86
- 21 Jul 86 1645 (T) obe
- 23 Jul 86 0856 (T) completed
- 23 Jul 86 1605 (F) completed 1700
- 4 Aug 86 1555 (T) completed 1755
- 5 Aug 86 1445 (T) completed
- 8 Sep 86 0916 (T) completed 0940
- 9 Sep 86 0825 (T) completed
- 17 Sep 86 1132 (T) completed
- 19 Sep 86 0730 (T) completed
- 29 Oct 86 1740 (T) completed

Partially declassified in E.O. 12958
 under provisions of Executive Order
 11652

4556

CIIN 1108

UNCLASSIFIED

(T) completed	24940
Executive Registry	

UNCLASSIFIED
OF SECRET

The Director of Central Intelligence

Washington D C 20505

Partially Declassified /
under provisions of E.O. 12958
by R. [redacted] on 1/26/88

C 1698

23 November 1986

4557

The President
The White House

Dear Mr. President,

On Friday I spent over five hours discussing and answering questions for the House and Senate Intelligence Committees on our effort to develop a relationship with important elements in Iran. I was able to deal with all their questions with no problem while, at all times, insisting on the value and need for this. A full house of each of the Committees was present throughout and, except for the expected partisan posing by Bobby Byrd and Jim Wright, when they went out to speak to the cameras, the members took it well. I enclose a copy of my opening statement which you can look through quickly.

The public putting of George Shultz and the failure of the State Department to support what we did inflated the uproar on this matter. If we all stand together and speak out I believe we can put this behind us quickly. Under Secretary of State Armacost sat through my briefing [redacted], opening his mouth only to deny involvement or knowledge. At one point he intervened to explain that "as the lead agency in fighting terrorism" the State Department was taken aback to find that we had provided weapons to terrorists. [redacted] quickly pointed out that CIA had the largest experience and capability in coming directly with international terrorism and while engaging on all fronts on a daily basis found this no impediment to seeking improved relationships with countries that might be turned away from terrorism. Armacost quickly subsided but at no time during the briefing came forward with any supporting statement. Rich Armitage, who accompanied me for Defense, was helpful in explaining the rules on arms transfer and was forthcoming and supportive whenever he had the opportunity.

[redacted]

On Thursday I returned two days early from a week scheduled in Central America. I found the commandantes and fighting men of the FDN in high spirits and ready to go.

[redacted]

We are moving inside Nicaragua but our diplomacy and public information must be much stronger and more aggressive to show greater political determination and purpose, particularly in Latin America.

Respectfully,

William J. Casey

Casey 24,374

UNCLASSIFIED

CIIN 1109

P.S. I wrote this late Saturday night before reading the story about the big switch in this morning's Post. I have not discussed the views in this note with anybody.

TOP SECRET
UNCLASSIFIED

C 4920

3 April 1986

MEMORANDUM FOR: Chief, Central America Task Force, DO
FROM: Director of Central Intelligence
SUBJECT: Sandinista Military Actions and Intentions

1. Here is the material you sent me last night, edited to read more easily. It still doesn't make the point that this is what is trying to be represented as a target of opportunity and the incursion appears to us to be a long-planned effort designed to knock out the Contra forces quickly. Maybe you can get that in somewhere at the beginning, or maybe you feel you can't. I leave that to your discretion.

2. I think this should be used locally for the following purposes:

a. The material, in the form which can be used by our Ambassadors, should be sent to all Contadora and other pertinent Latin America countries. It should be taken in at the highest level of government available in the hope that it will either influence those governments to be supportive of the Contra program and upcoming debate or at least refrain from undercutting its cause up here.

b. A fully sanitized version should be made available to Ollie North, Pat Buchanan, and Elliott Abrams for their purposes here. I'll leave it up to you to get the material on to Elliott, Pat and Ollie. I tried to call Elliott, but he is out of town until tomorrow. You might pass these papers on to him with my suggestion.

3. Also attached hereto is a draft of the piece prepared for tomorrow morning's National Intelligence Daily.

4558

William J. Casey

Copy 10 of 10

Attachments:

- 1. [Redacted]
- 2. Draft NID article

Executive Registry
38,001

CIIN 1907

UNCLASSIFIED
TOP SECRET
HANDLE VIA COMINT CHANNELS

CL BY [Redacted]
RYW OADR

CHAPTER 25. POWERS OF CONGRESS AND THE PRESIDENT
IN THE FIELD OF FOREIGN POLICY

THE DOCUMENTS CITED IN THESE FOOTNOTES ARE
AVAILABLE FROM PUBLIC SOURCES.

13/12/1953

CHAPTER 26. THE BOLAND AMENDMENTS AND THE NSC STAFF

UNCLASSIFIED

26 PNth 15
U.S. Depart^r of J
Office of Legal Coun^l 7905

26-15

Office of the
Assistant Attorney General

Washington, D.C. 20530

APR 27 1984

MEMORANDUM FOR THE ATTORNEY GENERAL

Re: Application of the Independent Counsel Provisions
of the Ethics in Government Act to Alleged Violations
of the Boland Amendment and the Antideficiency Act

This memorandum presents the views of the Office of Legal Counsel with respect to certain issues raised by a request from thirteen Members of Congress that the Attorney General seek the appointment of an independent counsel pursuant to the Ethics in Government Act, 28 U.S.C. § 591 et seq., particularly § 595(a). The general responsibilities imposed by the Ethics in Government Act in response to such a request are discussed in our memorandum to you of April 13, 1984. This memorandum concerns those general responsibilities as applied to whether the information received alleges a crime under the Antideficiency Act, 31 U.S.C. § 1341(a)(1) and § 1350.

For the reasons set out in detail in the balance of this memorandum, we conclude that the allegations communicated to you pursuant to § 595(a) could not reasonably be construed as a federal crime under the Antideficiency Act and that you therefore are under no legal duty to conduct a preliminary investigation or seek appointment of an independent counsel relative thereto under the Ethics in Government Act.

I

BACKGROUND

By letter of April 9, 1984 (hereinafter the April 9 Letter), a majority (thirteen) of the Democratic Party Members of the Committee on the Judiciary of the House of Representatives requested that you apply for the appointment of an independent counsel to "investigate, and if necessary prosecute, possible violations of the Neutrality Act," by certain officials of the United States, including the President; former Secretary of State Alexander Haig, Jr.; Secretary of State George Shultz; Secretary of Defense Caspar Weinberger; and Central Intelligence Agency (CIA) Director William Casey. The letter described certain "widely reported activities," involving United States' support for paramilitary activities in Central America, which

Handwritten notes on left margin:
"Under provisions of E.O. 12958
By E. J. ... of Security Council"

UNCLASSIFIED

4396

UNCLASSIFIED

J 7906

were alleged as a basis for a charge of violation of § 5 of the Neutrality Act. That section provides:

Whoever, within the United States, knowingly begins or sets on foot or provides or prepares a means for or furnishes the money for, or takes part in, any military or naval expedition or enterprise to be carried on from thence against the territory or dominion of any foreign prince or state, or of any colony, district, or people with whom the United States is at peace, shall be fined not more than \$3,000 or imprisoned not more than three years, or both.

18 U.S.C. § 960. The April 9 Letter closed with the request that "an independent counsel be appointed to determine whether the Neutrality Act has been violated by the government officials named above."

We have considered the applicability of the Neutrality Act to the conduct of United States officials within the authorized scope of their official duties in a separate memorandum to you of April 25, 1984, regarding the "Application of the Neutrality Act to Official Government Activities," and concluded that the Act did not prohibit actions by government officials in the course and scope of carrying out official duties. We will not repeat that discussion here.

The April 9 Letter also contained a statement to the effect that the referenced activities "also appear to be in violation of the Boland Amendment," which was characterized as prohibiting covert aid to paramilitary organizations for the purpose of overthrowing the Government of Nicaragua. 96 Stat. 1830, 1865 (1982). This memorandum will address the comments in the April 9 Letter regarding the Boland Amendment and their impact on your statutory duties under the Ethics in Government Act.

Our April 13 memorandum described generally the effect of a request like the April 9 Letter and your responsibilities under the independent counsel provisions of the Ethics in Government Act in response thereto. We noted that the Act provides that a majority of the majority party or a majority of the nonmajority party members of the Committee on the Judiciary of either House may request in writing that the Attorney General apply for the appointment of an independent counsel. See 28 U.S.C. § 595(e).

UNCLASSIFIED

UNCLASSIFIED

J 7907

Section 595(e) further requires that the Attorney General send a written response "[n]ot later than thirty days after the receipt of such a request, or not later than fifteen days after the completion of a preliminary investigation of the matter with respect to which the request is made, whichever is later" The response must notify the committee from whose members the request was received of "any action the Attorney General has taken in response to such request and, if no application [for an independent counsel] has been made to the division of the court, why such application was not made."

From the text of 28 U.S.C. § 595(e), we concluded that it was clear that a request of this nature did not, in and of itself, require an application for appointment of an independent counsel. We concluded that it was similarly clear that a request pursuant to § 595(e) did not require, in and of itself, that the Attorney General conduct a preliminary investigation. Reading the independent counsel provisions as a whole, we concluded that the Attorney General need only conduct a preliminary investigation upon a determination that specific information that he has received concerning a crime by a covered official is "sufficient to constitute grounds to investigate." See 28 U.S.C. § 591(a). We also advised that the Attorney General should seek the appointment of an independent counsel in response to a request under § 595(e) if, after a preliminary investigation, he finds reasonable grounds to believe that further investigation or prosecution is warranted, or if ninety days elapse from the receipt of the information without a determination that there are no reasonable grounds to believe that further investigation or prosecution is warranted. See *id.* § 592(c)(1).

In conclusion, we stated that the request does not impose a mandatory, nondiscretionary duty on the Attorney General to do anything more than consider any information contained in the request in accordance with the provisions of the Ethics in Government Act and make a report to the appropriate committee. The Attorney General has thirty days from the time of receipt of the request in which to respond, if no preliminary investigation is underway at that time and if none is initiated before the expiration of thirty days. If a preliminary investigation is conducted, the Attorney General's response to the committee is due no later than fifteen days after completion of the preliminary investigation or at the expiration of the thirty day period, whichever is later.

UNCLASSIFIED

UNCLASSIFIED

J 7908

II

TEXT AND INTERPRETATION OF THE ETHICS IN GOVERNMENT ACT

The entire procedural construct of the independent counsel provisions of the Ethics in Government Act depends on the initial triggering mechanism of receipt by the Attorney General of "information sufficient to constitute grounds to investigate that [a covered official] has committed a violation of any Federal criminal law other than a violation constituting a petty offense." 1/ See 28 U.S.C. § 591(a). In aid of analysis, this triggering mechanism may be broken down into its three component parts: (1) information sufficient to constitute grounds to investigate; (2) a covered official or other person whose investigation may involve an identified conflict of interest; and (3) a criminal offense other than a petty offense.

Of these three component determinations that are required to trigger the Ethics in Government Act, the first two are reasonably well defined in the Act and its legislative history. For example, with regard to the sufficiency of the grounds to investigate, the Act itself identifies two factors. In determining whether "grounds to investigate" exist, the Attorney General shall consider (a) "the degree of specificity of the information;" and (b) "the credibility of the source of the information." See 28 U.S.C. § 592(a)(1)(A)-(B). The legislative history further illuminates the congressional intent of the meaning of "specificity" and "credibility." See S. Rep. No. 496, 97th Cong., 2d Sess. 11-12, 21, reprinted in 1982 U.S. Code Cong. & Ad. News 3537, 3547-48, 3557; S. Rep. No. 170, 95th Cong., 1st Sess. 51, reprinted in 1978 U.S. Code Cong. & Ad. News 4216, 4267. Similarly, the Act itself defines the officials who are specifically covered by the Ethics in Government Act, see 28 U.S.C. § 591(b), and others who may be covered because of particular conflicts of interest. See id. § 591(c).

1/ Pursuant to 18 U.S.C. § 1, criminal offenses are classified as follows:

- (1) Any offense punishable by death or imprisonment for a term exceeding one year is a felony.
- (2) Any other offense is a misdemeanor.
- (3) Any misdemeanor, the penalty for which does not exceed imprisonment for a period of six months or a fine of not more than \$500, or both, is a petty offense.

UNCLASSIFIED

UNCLASSIFIED

J 7909

Neither the Ethics in Government Act itself nor its legislative history specifically expands upon the criminal offense component of the triggering mechanism. Nevertheless, it is clear that the application of the Act depends upon a determination that the information amounts to a specific and credible allegation that a covered official has committed a federal crime other than a petty offense. One district court has recently considered the issue whether the criminal offense component of the triggering mechanism was satisfied, and defined the standard for the determination whether a crime had been alleged. Dellums v. Smith, 577 F. Supp. 1449, 1452 (N.D. Cal. 1983) (Dellums II) (on motion for rehearing), appeal pending, No. 84-1525 (9th Cir.), stay granted, Jan. 25, 1984, involves a challenge to the Attorney General's failure to conduct a preliminary investigation upon receipt of certain allegations of violations of the Neutrality Act by Executive Branch officials. The court stated:

There may be instances in which the Attorney General can properly decline to conduct a preliminary investigation, even though he has received specific information from a credible source. If such information, however specific and credible, could not reasonably be construed as involving a federal crime, the Attorney General would not be obligated to conduct a preliminary investigation. [2/]

III

THE BOLAND AMENDMENT AND THE ANTIDEFICIENCY ACT

The Boland Amendment was included in the Further Continuing Appropriations Act, 1983, Pub. L. No. 97-377, § 793, 96 Stat. 1830, 1865, as part of the fiscal year 1983 appropriation for the Department of Defense. The Amendment provided that

[n]one of the funds provided in this Act may be used by the Central Intelligence

2/ The court further stated that "if the information may reasonably be construed as involving a federal crime, the Attorney General may not refuse to investigate merely because his opinion is to the contrary." Dellums II, *supra*, 577 F. Supp. at 1452. Although we do not agree that this is a correct interpretation of the independent counsel provisions, the analysis which we present in the text of this memorandum with regard to the particular allegations in the April 9 Letter is not inconsistent with the court's interpretation.

UNCLASSIFIED

UNCLASSIFIED

Agency or the Department of Defense to furnish military equipment, military training or advice, or other support for military activities, to any group or individual, not part of a country's armed forces, for the purpose of overthrowing the Government of Nicaragua or provoking a military exchange between Nicaragua and Honduras.

The language of the Boland Amendment is apparently identical to language previously included in a classified annex that accompanied the Intelligence Authorization Act for fiscal year 1983, Pub. L. No. 97-169. See 128 Cong. Rec. H9156 (daily ed. Dec. 8, 1982) (remarks of Rep. Boland). ^{3/} The background of that restriction is discussed briefly in a report prepared in May 1983, when the House Permanent Select Subcommittee on Intelligence considered an amendment to that bill:

In April, 1982, following several such briefings [on covert activities in Nicaragua], the Committee considered the fiscal year 1983 intelligence authorization budget bill. At a mark-up of the bill on April 5, 1983 [sic], the Committee considered, but rejected, motions to strike all funds for the program. Instead, the Committee adopted language in the classified annex to the report accompanying the bill that limited the uses to which funds authorized for the program could be applied. The program was to be directed only at the interdiction of arms to the insurgents in El Salvador. Funds in the program were not to be used to overthrow the government of Nicaragua or provoke a military exchange between Nicaragua and Honduras. The committee insisted upon these restrictions in conference with the Senate on the authorization bill and they were retained, with modifications. Responsible executive branch officials were knowledgeable of, and participated in, these

^{3/} We have not reviewed that classified annex or other classified legislative history relevant to the Boland Amendment. Because much of the background of the Amendment is on the public record, as well as considerable subsequent legislative history and debate, we did not feel it necessary to review that material for purposes of our analysis here. We would, of course, be willing to do so if you wish.

UNCLASSIFIED

UNCLASSIFIED

revisions. The conference report on the fiscal year 1983 intelligence authorization bill was filed and approved by both Houses in August 1982.

H. Rep. No. 122, Pt. 1, 98th Cong., 1st Sess. 8 (1983).

During floor consideration of the Further Continuing Appropriations resolution, both the House and Senate considered and rejected several alternative restrictions on covert activities in Nicaragua that would have swept considerably more broadly than the restriction contained in the Boland Amendment as adopted. Two of these alternatives could have had the effect of prohibiting altogether the use of appropriated funds for support of paramilitary activities in Nicaragua. 4/ Another, commonly referred to as the "Harkin Amendment," 5/ would have prohibited the use of appropriated funds by the Department of Defense or the CIA "to furnish military equipment, military training or advice, or other support for military activities, to any groups or individual, not part of a country's armed forces, which is already known by that agency to have the intent of overthrowing the Government of Nicaragua or of provoking a military conflict between Nicaragua and Honduras." 128 Cong. Rec. H9148 (daily ed. Dec. 8, 1982). This amendment would have had the effect of prohibiting the use of funds to support paramilitary groups in Central America, if those groups intended to overthrow the Government of Nicaragua or to provoke hostilities between Nicaragua and Honduras. See 129 Cong. Rec. S15291 (daily ed. Nov. 3, 1983) (remarks of Sen. Wallop).

4/ In the House, Representative Harkin introduced an amendment that would have prohibited the supplying of funds to paramilitary groups and individuals "for the purpose of assisting that group or individual in carrying out military activities in or against Nicaragua." 128 Cong. Rec. H9149 (daily ed. Dec. 8, 1982). That amendment was not adopted. The Senate similarly rejected an amendment proposed by Senator Dodd, which would have provided that "[n]o funds should be obligated or expended, directly or indirectly, after January 20, 1983, in support of irregular military forces or paramilitary groups operating in Central America." 128 Cong. Rec. S15350, S15365 (daily ed. Dec. 18, 1982).

5/ This amendment was actually a substitute offered by Congressman Harkin for the broader restriction that he initially offered (see n.4 *supra*). It was proposed immediately after Congressman Boland introduced the language eventually adopted as an amendment to the bill. 128 Cong. Rec. H9159 (daily ed. Dec. 8, 1982).

UNCLASSIFIED

UNCLASSIFIED

J 7912

The House rejected the Harkin Amendment and adopted language proposed by Congressman Boland (which is identical to the enacted language), with little substantive discussion. 128 Cong. Rec. H9159 (daily ed. Dec. 8, 1982). 6/

The April 9 Letter asserts that certain "widely reported activities . . . appear to be in violation of the Boland Amendment." The principal activity cited in the letter is that, "acting with the approval, advice, training and funds provided by the United States officials, and in concert with these officials, Nicaraguan exiles have attacked Nicaragua with the aim of overthrowing the Nicaraguan Government." 7/

The somewhat oblique reference to the Boland Amendment in the April 9 Letter raises a number of questions. First, it is not clear whether the comment regarding the Boland Amendment was intended to allege the commission of a separate crime or simply to reinforce in some unspecified way the allegation that

6/ No substantive discussion of the intent or scope of the Boland Amendment appears in the Conference Report on the Further Continuing Appropriations resolution, H. Conf. Rep. No. 990, 97th Cong., 2d Sess. (1982), or in the House and Senate debates on adoption of the Conference Report, 128 Cong. Rec. S10391-448, H15675-706 (daily ed. Dec. 20, 1982).

7/ Similar allegations have been made by some other Members of Congress, including Representative Boland, the sponsor of the Amendment. See, e.g., 129 Cong. Rec. H5724-25 (daily ed. July 27, 1983) (remarks of Rep. Hamilton); *id.* at H5739 (remarks of Rep. Barnes); *id.* at H5746 (remarks of Rep. Leach); *id.* at H5748-49 (remarks of Rep. Boland); *id.* at S15287 (daily ed. Nov. 3, 1983) (remarks of Sen. Leahy). These allegations have been based either on alleged support by the CIA, during fiscal year 1983, for groups whose avowed intent is to overthrow the Government of Nicaragua, or on the alleged failure of United States support to achieve any effective interdiction of arms. Other Members of Congress have asserted that no violation of the Boland Amendment has occurred. See, e.g., H. Rep. No. 122, Pt. 1, 98th Cong., 1st Sess. 25-26 (1983) (Statement of Minority Views); 129 Cong. Rec. H5730 (daily ed. July 27, 1983) (remarks of Rep. Broomfield); *id.* at H5748 (remarks of Rep. Young); *id.* at H5752 (remarks of Rep. Hyde); *id.* at S15291 (daily ed. Nov. 3, 1983) (remarks of Sen. Wallop). The April 9 Letter itself does not allege that there was a violation of the Boland Amendment, but merely that the described activities "appear to be in violation of the Boland Amendment."

UNCLASSIFIED

UNCLASSIFIED

J 7913

the Neutrality Act has been violated. Perhaps the authors of the letter hold the view that a violation of the Boland Amendment would, ipso facto, be a violation of the Neutrality Act. If this is the correct interpretation of the letter, as we have concluded in our April 25 memorandum, the allegations would not trigger the obligation to investigate or seek appointment of an independent counsel under the provisions of the Ethics in Government Act.

Even construing the April 9 Letter as suggesting that a "violation" of the Boland Amendment constitutes a separate offense, a problem arises because the independent counsel provisions of the Ethics in Government Act apply only to violations of the federal criminal law (other than petty offenses), and the Boland Amendment is not a federal criminal provision. It is merely an appropriations limitation. To proceed further with the inquiry notwithstanding the ambiguities in the letter requires a construction of the statement with regard to the Boland Amendment that expenditures in violation of that Amendment could have violated some federal criminal statute. The Members of Congress signing the letter point to no criminal statute other than the Neutrality Act, so we have conducted an independent analysis of the issue.

We have specifically considered whether a violation of the Boland Amendment could violate the criminal provisions of the Antideficiency Act, 8/ now codified at 31 U.S.C. § 1341(a) and

8/ The only other criminal provision of which we are aware that arguably might apply is 18 U.S.C. § 1916, which imposes a fine of not more than \$1,000 or imprisonment for not more than one year for violation of the provision of 5 U.S.C. § 3103 that an individual may be employed in the civil service in an Executive department at the seat of government only for services actually rendered in connection with and for the purposes of the appropriation from which he is paid. The sweep of this provision is unclear, and we think it unlikely that any of the activities alleged in the April 9 Letter would fall within its terms, particularly in light of the "seat of government" language used in the statute. See generally 26 Op. A.G. 522 (1908). The Criminal Division has concluded that this section would not be applicable, and has informed us that to their knowledge no prosecution has ever been attempted under it. In any event, to the extent that the section might conceivably, on some set of facts, be applicable to a violation of the Boland Amendment, we believe that our analysis of the possible applicability of the Antideficiency Act, which is a much more sweeping statute, is equally relevant to 18 U.S.C. § 1916.

UNCLASSIFIED

UNCLASSIFIED

J 7914

§ 1350. Section 1341(a) provides:

An officer or employee of the United States Government . . . may not --

(A) make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation; or

(B) involve [the] government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law.

Section 1350 provides that a violation of § 1341(a) is punishable by a fine of not more than \$5,000, imprisonment for not more than two years, or both. 9/ By reference to 28 U.S.C. § 591(a) and 18 U.S.C. § 1, a violation of § 1350 by a covered person would generally be an offense of sufficient gravity to fall within the coverage of the independent counsel provisions of the Ethics in Government Act.

We conclude, however, that the information referred to in the April 9 Letter as constituting an "apparent" violation of the Boland Amendment "could not reasonably be construed as involving a federal crime" under the Antideficiency Act. See Dellums II, supra, 577 F. Supp. at 1452. We reach this conclusion based on well-settled principles of statutory construction and constitutional law. We believe that serious constitutional questions, as well as difficult questions of justiciability, would be raised if the criminal provisions of the Antideficiency Act were applied to the appropriations restriction included in the Boland Amendment.

As we outline below, the Boland Amendment does not purport to limit the particular activities or programs that may be funded, but rather purports to restrict the availability of funds for those activities or programs based on whether responsible Executive Branch officials had a particular purpose in authorizing those activities and programs. In this context, one that fundamentally implicates the President's conduct of the foreign policy of our Nation, we believe that

9/ Appropriate administrative discipline, including, when warranted, suspension from duty without pay or removal from office, is provided in 31 U.S.C. § 1349.

UNCLASSIFIED

UNCLASSIFIED

J 7915

the criminal provisions of the Antideficiency Act cannot be construed to apply to the Boland Amendment. Because of the peculiarities of this issue and the unusual factual context in which it arises, we feel it appropriate to advise caution in the application of the general legal principles expressed here in other factual circumstances without similarly careful analysis.

We do not read the Boland Amendment to prohibit expenditures on all or particular covert military or paramilitary activities funded by the CIA relative to Nicaragua. The public record shows that covert activities regarding Nicaragua were authorized by Congress, and that funds were appropriated for those activities for fiscal year 1983, following Administration briefings of the House and Senate Intelligence Committees pursuant to 22 U.S.C. § 2422 and 50 U.S.C. § 413. See, e.g., H. Rep. 122, Pt. 1, 98th Cong., 1st Sess. 5-8 (1983); 128 Cong. Rec. S15361 (daily ed. Dec. 18, 1982) (remarks of Sen. Moynihan); 129 Cong. Rec. S15289 (daily ed. Nov. 3, 1983) (remarks of Sen. Goldwater); id. at H5748 (daily ed. July 27, 1983) (remarks of Rep. Boland). In fact, as we have noted, both the House and Senate, in public deliberations on the 1983 Further Continuing Appropriations bill, rejected more sweeping provisions restricting the funding of the CIA covert activities that could possibly have had the effect of prohibiting all covert activities. See supra at p. 7 & n.4. As Representative Robinson noted in 1983, during debates on a proposed amendment to the 1983 Intelligence Authorization Act:

Let me be clear on this point -- at the time the proposed covert action was presented to the committee, everyone was well aware that this project included covert operations in Nicaragua. I bring this up because at that time the standard which was discussed with regard to covert action was that we would not be involved in any operation to overthrow the Government of Nicaragua. The administration was -- and is -- in agreement with such a provision.

The language, ultimately termed the Boland amendment, provided for covert action of the type which the administration supports. The House voted down a legislative amendment which would have denied funds for the purpose of carrying out a covert activity and denied funds to groups and individuals known to have

UNCLASSIFIED

UNCLASSIFIED

J 7916

the intent of overthrowing the Nicaraguan Government.

The House, however, adopted the Boland amendment by a vote of 411 to 0. In so doing, the House approved the concept embodied in the Boland amendment that a covert paramilitary operation in Nicaragua was acceptable.

129 Cong. Rec. H5722 (daily ed. July 27, 1983).

What the Boland Amendment purports to restrict is support of covert activities "for the purpose of overthrowing the Government of Nicaragua or provoking a military exchange between Nicaragua and Honduras." As we read the Amendment, those same activities could properly be funded, so long as they are conducted "for the purpose of" interdicting arms flowing to El Salvador or other countries in Central America. See, e.g., H. Rep. No. 122, Pt. 1, 98th Cong., 1st Sess. 5-8 (1983). Thus, we read the Amendment not to prohibit funding of particular activities, but to prohibit funding of those activities if that funding is intended to accomplish the overthrow of the Government of Nicaragua or to provoke hostilities between Nicaragua and Honduras.

Further, the legislative history of the Boland Amendment makes clear that the proscribed intent is not the intent of the groups or the individuals being supported by the appropriated funds. That is, the Boland Amendment cannot be read to prohibit the use of funds to support particular individuals or groups merely because it is known that those individuals or groups would like to overthrow the Government of Nicaragua. As noted above, the House rejected the Harkin Amendment, which would have had precisely that effect. Several Members of Congress have pointed out subsequently that the rejection of the Harkin Amendment is persuasive evidence that the reach of the Boland Amendment, as adopted by both the House and the Senate, is limited. See, e.g., H. Rep. No. 122, Pt. 1, 98th Cong., 1st Sess. at 25-26 (1983) (Statement of Minority Views); 129 Cong. Rec. S15291 (daily ed. Nov. 3, 1983) (remarks of Sen. Wallop). Thus, what the Boland Amendment purports to prohibit is not the support of groups whose avowed purpose is to overthrow the government, but rather the otherwise authorized expenditure of appropriated funds on covert activity if the Executive Branch officials who approved or directed the expenditure intended those activities to have the effect of overthrowing the Government of Nicaragua or provoking hostilities between Nicaragua and Honduras.

UNCLASSIFIED

UNCLASSIFIED

In light of the scope of the Boland Amendment, we must consider whether allegations of a violation of that Amendment could, if true, reasonably be construed as constituting a crime under the Antideficiency Act. We believe that such facts, even if they existed, could not reasonably be construed to constitute a crime, principally because application of the criminal provisions of the Antideficiency Act in this context would raise exceedingly serious constitutional questions of separation of powers. It is well settled that statutes must be construed to avoid constitutional issues. See, e.g., International Association of Machinists v. Street, 367 U.S. 740 (1961). Criminal statutes, in addition, must be narrowly construed. See, e.g., United States v. Fruit Growers Express Co., 279 U.S. 363, 369 (1929); 3 C. Sands, Sutherland Statutory Construction, § 59.03 (4th ed. 1974).

One such separation of powers issue is whether questions about the intended scope and alleged violation of the Boland Amendment are "political questions" which under Article III of the Constitution cannot be adjudicated by the courts, particularly in the context of a criminal prosecution of Executive Branch officials. The political question doctrine has at its core the preservation of the separation of powers of the three Branches of government. See Baker v. Carr, 369 U.S. 186, 217 (1962). The classic formulation of the doctrine derives from Justice Brennan's opinion for the Court in Baker:

Prominent on the surface of any case held to involve a political question is found a textually demonstrable constitutional commitment of the issue to a coordinate political department; or a lack of judicially discoverable and manageable standards for resolving it; or the impossibility of deciding without an initial policy determination of a kind clearly for nonjudicial discretion; or the impossibility of a court's undertaking independent resolution without expressing lack of the respect due coordinate branches of government; or an unusual need for unquestioning adherence to a political decision already made; or the potentiality of embarrassment from multifarious pronouncements by various departments on one question.

Id. A number of the factors listed in Baker v. Carr require the conclusion that the determination of whether the "purpose"

UNCLASSIFIED

UNCLASSIFIED

J 7918

of the activities undertaken in Nicaragua was proper or improper under the Boland Amendment is a nonjusticiable question. These factors are disjunctive and, in cases prior to Baker, were held to be sufficient individually as the basis for the Court's determination that a political question was involved.

In this situation, for example, there is with regard to foreign policy "a textually demonstrable constitutional commitment of the issue to a coordinate political department." The issue of the President's intent in pursuing authorized activities in Central America, fully funded by congressional appropriations, involves, essentially, a determination of the President's foreign policy objectives with regard to that country. The President "is the sole organ of the nation in its external relations and its sole representative with foreign nations" in pursuit of those goals. See United States v. Curtiss-Wright Corp., 299 U.S. 304, 319 (1936). To attempt to discern the President's state of mind, or the state of mind of subordinate Executive Branch officials, and to impose the threat of criminal penalties based on allegedly impermissible foreign policy objectives in carrying out the particular actions that have been authorized and funded by Congress, infringes on the constitutional responsibilities and powers of the President. Cf. Goldwater v. Carter, 444 U.S. 996, 1003 (1979) (Rehnquist, J., concurring) (issue is "political" and nonjusticiable if it "involves the authority of the President in the conduct of our country's foreign relations and the extent to which the . . . Congress is authorized to negate the action of the President"). To the extent that this question involves a mixed issue for Executive Branch foreign policy determination and Legislative Branch appropriation powers, involvement of the judiciary would not be appropriate. As the Supreme Court noted in Oetjen v. Central Leather Co., 246 U.S. 297, 302 (1918) (per Clarke, J.):

The conduct of the foreign relations of our Government is committed by the Constitution to the Executive and Legislative -- the "political" -- Departments of the Government, and the propriety of what may be done in the exercise of this political power is not subject to judicial inquiry or decision.

Baker requires a finding of nonjusticiability because of other factors as well. Neither the language of the Boland Amendment nor its legislative history contain any clear statement of precisely what conduct is intended to be proscribed.

UNCLASSIFIED

UNCLASSIFIED

J 7919

In fact, subsequent congressional discussions with respect to the Administration's compliance with the Amendment reflect a wide variety of diverse, often conflicting, and post hoc views as to the intended scope of the prohibition and the facts that might indicate a violation of the restriction. Compare H. Rep. No. 122, Pt. 1, 98th Cong., 1st Sess. 11 (1983), with id. at 25-26 (Statement of Minority Views). See also 129 Cong. Rec. H5724-25 (daily ed. July 27, 1983) (remarks by Rep. Hamilton); id. at H5748-49 (remarks of Rep. Boland); id. at H5752 (remarks of Rep. Hyde); id. at S15291 (daily ed. Nov. 3, 1983) (remarks of Sen. Wallop). We cannot discern -- and we are confident that the courts could not discern -- any specific, manageable standard by which to adjudicate the scope of the Boland Amendment and the applicability of criminal sanctions under the Antideficiency Act. See Crockett v. Reagan, 558 F. Supp. 893, 898 (D.D.C. 1982), aff'd per curiam, 720 F.2d 1355 (D.C. Cir. 1983). 10/

The difficulties become readily apparent by speculating on what actions might conceivably violate the Boland Amendment. For example, what if it could be established (assuming that there were no practical or constitutional problems of proof), that the President's "purpose" in directing covert activities was to interdict arms, but that some subordinate Executive Branch official intended in addition (or instead) to try to accomplish the overthrow of the Government of Nicaragua, despite official Administration policy. Would that official be criminally liable under the Antideficiency Act for violating the Boland Amendment? To take another example, if the "purpose," however determined, of certain actions was both to interdict arms and to overthrow the Government of Nicaragua, would those actions violate the Boland Amendment? What if the "purpose" of a

10/ Crockett involved allegations by 29 members of Congress directed against the President and other Executive Branch officials that the supply of military equipment and aid to the Government of El Salvador violated the War Powers Resolution 50 U.S.C. § 1541-48, and the Foreign Assistance Act, 22 U.S.C. § 2304. The court dismissed the claim under the War Powers Resolution as nonjusticiable because of the lack of judicially discoverable and manageable standards, and the claim under the Foreign Assistance Act because of the court's equitable discretion in cases involving congressional plaintiffs.

UNCLASSIFIED

UNCLASSIFIED

J 7920

particular activity was to interdict arms during one period, was changed to a "purpose" of overthrowing the government during another because of a change of circumstances, and then reverted to the original "purpose"? Would the activity be a crime during the second period but not the first and third?

This patent lack of judicially discoverable and manageable standards for interpreting and applying the Boland Amendment is particularly troublesome because the restriction strikes directly at the President's constitutionally assigned, discretionary responsibility to set foreign policy objectives. See generally DaCosta v. Laird, 471 F.2d 1146, 1156 (2d Cir. 1973) (question whether Executive Branch officials may implement President's directive ordering mining of ports and harbors of North Vietnam and continuation of air and naval strikes against military targets located in North Vietnam is nonjusticiable political question, *inter alia*, because of lack of judicially discoverable and manageable standards); Holtzman v. Schlesinger, 484 F.2d 1307, 1313 (2d Cir. 1973), cert. denied, 416 U.S. 936 (1974). Clearly, the determination of foreign policy objectives is the type of "initial policy determination" that is not susceptible to resolution by the courts under the Baker formulation.

In addition, we do not see how a court could attempt to adjudicate the issue of compliance with the Boland Amendment and the Antideficiency Act without intruding deeply into the foreign policy decisionmaking processes of Executive Branch officials, including the President. Again, the probable scenarios present extremely troublesome and intrusive possibilities, such as an attempt to compel personal testimony by the President or other high-ranking Administration officials as to their intent in setting certain foreign policy goals, attempts to discover internal deliberative and undoubtedly highly classified foreign policy documents of the Executive Branch, and possible judicial assessment of the credibility and advisability of those statements and documents -- all in the context of a criminal prosecution based on allegations of noncompliance with a vague, constitutionally suspect, appropriations rider. We believe it unquestionable that this prospect embodies the potential for "lack of respect due coordinate branches of government" identified in Baker.

Finally, the difficulties of proof, given the indeterminateness of the restriction and its object, make the issue particularly inappropriate for judicial review and resolution. How would a court determine that the "purpose" the President or other Executive Branch officials may have had in mind when

UNCLASSIFIED

UNCLASSIFIED

J 7921

they approved certain expenditures was to overthrow the Government of Nicaragua rather than to interdict arms? Although written in a different (but nonetheless analogous) context, we think Judge Kaufman's comments in DaCosta v. Laird, supra, 471 F.2d at 1155, are compelling:

Judges, deficient in military knowledge, lacking vital information upon which to assess the nature of battlefield decisions, and sitting thousands of miles from the field of action, cannot reasonably or appropriately determine whether a specific military operation constitutes an "escalation" of the war or is merely a new tactical approach within a continuing strategic plan. What if, for example, the war "de-escalates" so that it is waged as it was prior to the mining of North Vietnam's harbors, and then "escalates" again? Are the courts required to oversee the conduct of the war on a daily basis, away from the scene of action? In this instance, it was the President's view that the mining of North Vietnam's harbors was necessary to preserve the lives of American soldiers in South Vietnam, and to bring the war to a close. History will tell whether or not that assessment was correct, but without the benefit of such extended hindsight we are powerless to know.

Based on these Baker factors, we are convinced that any attempt to enforce the Boland Amendment through a criminal prosecution under the Antideficiency Act would present a nonjusticiable political question.

Our conclusion that the issue is nonjusticiable does not deny Congress its legitimate role in the appropriations process. The Constitution grants Congress control over the purse. U.S. Const. Art. 1, § 9, cl. 6. But the limitation imposed by the Boland Amendment, while perhaps phrased in a certain manner for political purposes, is not stated in terms of an absolute, discernible spending prohibition. It is stated in general terms of the President's foreign policy objectives and purposes that are highly subjective and may be difficult to ascertain, particularly after the fact, on pain of criminal liability. Congress's role in the foreign policy process is most effective and enforceable when it expresses its objectives by identifying specific activities, within constitutional limits, and determines whether to fund or not to fund those activities.

UNCLASSIFIED

UNCLASSIFIED

J 7922

The issue here is also not strictly one of apportionment of political power that might require resolution by a court either because it involves procedural "ground rules" by which the power of the political Branches is allocated and exercised, cf. INS v. Chadha, 103 S. Ct. 2764, 2779-80 (1983); Wright v. United States, 302 U.S. 583 (1938); The Pocket Veto Case, 279 U.S. 655 (1929), or because it might involve a clear impingement by one Branch on the powers and prerogatives of another, cf. Buckley v. Valeo, 424 U.S. 1 (1976); United States v. Nixon, 418 U.S. 683 (1974); Myers v. United States, 272 U.S. 52 (1926). Rather, this involves a case of disagreement between the President and some Members of Congress over the foreign policy purpose that the President may or should have had in mind when he approved the expenditure of funds that had already been appropriated by Congress, that were adequate in amount for the activities for which they were to be spent, and that were authorized by Congress to be spent. The Supreme Court has often emphasized that the judiciary cannot resolve this sort of political dispute:

Such decisions are wholly confided by our Constitution to the political departments of the government, Executive and Legislative. They are delicate, complex, and involve large elements of prophecy. They are and should be undertaken only by those directly responsible to the people whose welfare they advance or imperil. They are decisions of a kind for which the Judiciary has neither aptitude, facilities nor responsibility and which has long been held to belong in the domain of political power not subject to judicial intrusion or inquiry.

Chicago & Southern Air Lines v. Waterman Corp., 333 U.S. 103, 111 (1948) (citations omitted). See also Oetjen v. Central Leather Co., 246 U.S. 297, 302 (1917). Because a judicial inquiry into the President's foreign policy objectives respecting certain specified actions would be a highly questionable venture under the Constitution, we are confident that the courts would perceive the matter to be beyond their Article III powers.

Nor is this a case in which Congress lacks sufficient means of enforcing its own prerogatives and therefore needs the courts or the awkward and ill-suited criminal justice system

UNCLASSIFIED

UNCLASSIFIED

J 7923

to maintain its side in the balance of power over how money shall be appropriated and spent. Congress could have imposed a spending limitation in terms of an absolute dollar amount, as it subsequently did in fiscal year 1984, if it had been the judgment of Congress that the Boland Amendment had failed to accomplish a particular political result. See, e.g., H. Rep. No. 122, Pt. 1, 98th Cong., 1st Sess. at 5-8 (1983); 129 Cong. Rec. H5749 (daily ed. July 27, 1983) (remarks of Rep. Roland); *id.* at H8393 (daily ed. Oct. 20, 1983) (remarks of Rep. Zablocki). Congress could have imposed a limitation in terms of the specific activities or some other easily identifiable, and verifiable, basis, assuming that such limitation did not impermissibly intrude on the President's inherent constitutional powers. See generally *DaCosta v. Laird*, *supra*, 471 F.2d at 1157 ("[W]e must recognize that those two coordinate branches of government -- the Executive by military action and the Congress, by not cutting off the appropriations that are the wherewithal for such actions -- have taken a position that is not within our power, even if it were our wish, to alter by judicial decree.").

Congressman Berueter's comments during the House debates on the 1984 Intelligence Authorization Act, reflecting on the history of the Boland Amendment, are instructive:

I would begin by saying that I believe it was a mistake for the House to accept the leadership of this same House Select Committee on Intelligence on December 9 of 1982 when we approved the Boland amendment which continued to sanction limited covert assistance to Nicaraguan insurgent forces It was not appropriate for the relevant Intelligence Subcommittee to set limitations on such covert aid that clearly could not be met and then in 1983 to turn around on a straight partisan vote by the Intelligence Committee to end the covert aid that it had earlier, unrealistically, endorsed If Intelligence Committee leaders really wanted to recommend an end to all aid, they could have done so by simply suggesting that we approve the Harkins [sic] amendment, for which Mr. Boland offered his substitute on the 8th of December 1982.

UNCLASSIFIED

UNCLASSIFIED

J 7924

It is, therefore, unfortunately looking more and more like the debate and the vote of July 28, 1983, and the debate today is set up for partisan reasons.

129 Cong. Rec. H8400-01 (daily ed. Oct. 20, 1983).

Some of the alternatives available to Congress as an institution in the appropriations process may involve more difficult political decisions than those required by prohibiting Executive Branch activities with the "wrong" motive while authorizing those same activities if approved with a more acceptable motive. Nevertheless, if Congress intends to make criminal the act of violating legislative intent, we expect that the courts will require it to make those more difficult judgments for which its Members might be held accountable to their constituents. This course would require developing more precise, ascertainable and justiciable standards by which to measure the criminal behavior.

The Boland Amendment is a particularly inappropriate basis for a criminal prosecution because the standard that the Amendment purports to establish is itself extraordinarily vague and difficult to apply. See discussion *supra* at 15. A criminal statute must give sufficient notice to those who will be held accountable of which actions are prohibited and which are not. This principle has important constitutional underpinnings based on both the Due Process Clause and the Ex Post Facto Clause. 11/ A statute is void for vagueness if it "fails to give a person of ordinary intelligence fair warning that his contemplated conduct is forbidden by the statute." See Papachristou v. City of Jacksonville, 405 U.S. 156, 162 (1972), and cases cited therein. An important component of "appropriate definiteness" is "ascertainable standards of guilt." See Winters v. New York, 333 U.S. 507, 515 (1948). This requirement takes on special importance with regard to the Boland Amendment because of the highly comparable qualities which must be evaluated in determining what is a political question. See Baker v. Carr, *supra*, 369 U.S. at 217 (1962) ("lack of judicially discoverable and manageable standards for resolving" a political question), discussed *supra* at 14-16. Similarly, a statute is unconstitutionally vague if "it leaves judges and jurors free to decide, without any

11/ Implicit in the Ex Post Facto doctrine is the principle that it is unfair to apply a law to the defendant retroactively because he will have had no fair warning of the consequences of his conduct.

UNCLASSIFIED

UNCLASSIFIED

J 7925

legally fixed standards, what is prohibited and what is not in each particular case." See Giaccio v. Pennsylvania, 382 U.S. 399, 403 (1966) (jury to determine whether defendant shall pay costs); see also United States v. Cohen Grocery Co., 255 U.S. 81 (1921) ("unjust or unreasonable rate or charge").

The usual context in which the Antideficiency Act has been applied has been limited to an insufficient appropriation for the agency to carry out its authorized responsibilities, see ___ Op. A.G. ___ (April 25, 1980) (determining that the FTC must close down upon exhausting its appropriations), or the absence of any appropriations for the agency, see ___ Op. A.G. ___ (Jan. 16, 1981) (with limited exceptions, the government must cease operations upon a lapse of appropriations). These two situations correspond roughly to the structure of 31 U.S.C. § 1341(a)(1) itself, which refers to contracts for the payment of money before an appropriation is made and to expenditures or obligations in excess of the amount of available appropriations. Here, however, there is both an authorization of certain activities (covert operations in Nicaragua) and an appropriation for those activities. The very same activity is lawful or not depending solely upon the intent for which it is undertaken. In our view, this intent cannot be determined in the context of a general appropriations restriction whose criminal penalties depend upon proof of a knowing and willful expenditure or obligation of funds in excess of or in advance of the available appropriation. The scope of the prohibition is itself unclear, and the criminal provisions of the Antideficiency Act have never been thought to be applicable to an appropriation that depends on the intent with which otherwise authorized and funded actions are taken.

Because of the inherently political character of the dispute; the vagueness of the limitation, which turns on the intent of the person who authorized the activity that resulted in an expenditure or obligation; and the absence of any standards cognizable by a judge or jury, we conclude that the criminal provisions of the Antideficiency Act would not apply in these circumstances and that a contrary construction would not be reasonable. We therefore conclude that on the basis of the allegations made, a violation of the Boland Amendment "could not reasonably be construed as involving a federal crime" under the Antideficiency Act. Cf. Dellums II, supra, 577 F. Supp. at 1452.

The constitutional concerns we have discussed in this memorandum are heightened in the particular circumstances of a case that implicates the independent counsel provisions

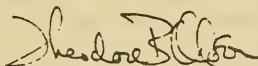
UNCLASSIFIED

UNCLASSIFIED

J 7926

of the Ethica in Government Act. That Act manifestly intrudes on the powers of the Executive Branch because it divests the President of the exclusively executive function to prosecute crimes and to appoint and remove officials responsible for the faithful execution of the laws. See Myers v. United States, 272 U.S. 52 (1926). The serious constitutional questions that arise under these provisions have been previously noted. 12/ If the Act were triggered here, it would not be difficult to imagine a wide variety of situations in which some members of Congress could require an investigation, and perhaps the appointment of an independent counsel, on the basis of a host of alleged infractions of "congressional intent." We do not believe that Congress intended such an unworkable result under either the independent counsel provisions or the Antideficiency Act.

For these reasons, we believe that the allegations contained in the April 9 Letter "could not reasonably be construed as involving a federal crime" under the Antideficiency Act. The Attorney General's responsibilities in responding to the letter with regard to the information relating to the Boland Amendment would be satisfied by a response that no crime has been alleged that requires the initiation of a preliminary inquiry.



Theodore B. Olson
Assistant Attorney General
Office of Legal Counsel

12/ See Letter to Michael Davidson, Senate Legal Counsel, from Attorney General Smith, presenting the position of the Department on the constitutionality of the Special Prosecutor Act (April 9, 1981); Memorandum for the Attorney General from Acting Assistant Attorney General Simms, Office of Legal Counsel, re: Special Prosecutor Act (April 1, 1981).

~~FOR OFFICIAL USE ONLY~~
UNCLASSIFIED

26
FW# 15

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

J 4808

PRESIDENT'S INTELLIGENCE OVERSIGHT BOARD

April 6, 1983

FOR: PRESIDENT'S INTELLIGENCE OVERSIGHT BOARD
FROM: ROBERT F. TURNER
COUNSEL
SUBJECT: Preliminary Analysis of Legal Objections to
Certain Alleged CIA Covert Activities in Central
America

As you know, several Members of Congress and newspaper editorial writers have recently alleged that the Central Intelligence Agency may be involved in covert activities in Central America in violation of various provisions of domestic or international law. Specifically, it has been alleged that such activities may violate "the Neutrality Act," the 1973 War Powers Resolution, the requirements of the National Security Act and the Hughes-Ryan Amendment to the Foreign Assistance Act of 1961 that Congress be kept "fully and currently informed" about such activities, and the 1982 Boland Amendment prohibiting the use of funds "for the purpose of overthrowing the Government of Nicaragua or provoking a military exchange between Nicaragua and Honduras." It has also been charged that these alleged CIA activities violate various provisions of international law, such as article 2(4) of the United Nations Charter and article 18 of the Charter of the Organization of American States.

This memorandum provides a preliminary review of the legal issues raised in these charges. It does not address the facts of any specific CIA activity, nor does it address the wisdom of policy decisions behind any such activity. Its purpose is to assist the Board in determining whether the charges have sufficient merit as a matter of law to warrant an in-depth investigation into the facts of the specific alleged activities or a report to the President.

Part I--ALLEGED VIOLATIONS OF UNITED STATES LAWS

This section will consider allegations that certain CIA activities are in violation of "the Neutrality Act," the War Powers Resolution, the Hughes-Ryan Amendment, and the Boland Amendment. It will then look briefly at the broader question of the legal basis for covert action in general.

Under provisions of E.O. 12958
by R. ... National Security Council

~~FOR OFFICIAL USE ONLY~~
UNCLASSIFIED

4393

UNCLASSIFIED

The Neutrality Act

J 4809

In a December 8, 1982, editorial concerning an alleged CIA "secret war against Nicaragua," the New York Times wrote:

These are, to begin with, illegal activities. The Neutrality Act expressly forbids the raising of secret armies to unseat a regime that the United States recognizes as lawful [sic].

Less than a month later, in an editorial entitled "Quit the Bay of Piglets," the Times again editorialized: "Any secret commitment of American forces to attacks in or against Nicaragua would violate both the Neutrality Act and the War Powers Act."¹ These allegations have been echoed by Members of Congress.²

The threshold question is this: Does the "Neutrality Act" constrain activities of the Central Intelligence Agency approved by the President? If not, it becomes unnecessary to address the specifics of the alleged activities said to violate the act. In order to establish the legislative intent, it is important to distinguish between various "neutrality" acts. While it is generally recognized that a major purpose behind the enactment in the mid-1930's of several neutrality acts was to restrain the President from involving the country in a European war,³ the New York Times was referring to a much earlier "neutrality act," enacted under different conditions and for different purposes.

Having reviewed the various "neutrality acts" and other laws concerning foreign relations, I have identified two provisions which might on their face arguably constrain CIA activities in Central America. The Times almost certainly had in mind 18 U.S.C. §960, which provides:

§960. Expedition against friendly nation

Whoever, within the United States, knowingly begins or prepares a means for or furnishes the money for, or takes parts in, any military or naval expedition or enterprise to be carried on from thence against the territory or dominion of any foreign prince or state or of any colony, district, or people with whom the United States is at peace shall be fined not more than \$3,000 or imprisoned not more than three years, or both.

1. New York Times, Jan. 5, 1983.
2. See, e.g., 128 Cong. Rec. H9148 (daily ed., Dec. 8, 1982) (Rep. Harkin).
3. See, e.g., Reveley, "Constitutional Aspects of United States Participation in the Foreign Internal Conflicts," in Law and Civil War in the Modern World 174 (J. Moore ed. 1974).

~~UNCLASSIFIED~~

UNCLASSIFIED

-3-

J 4810

In addition, again also depending upon the specific facts of a given situation, it could be argued that Agency covert activities might violate 18 U.S.C. §956:

§956. Conspiracy to injure property of foreign governments

(a) If two or more persons within the jurisdiction of the United States conspire to injure or destroy specific property situated within a foreign country and belonging to a foreign government or to any political subdivision thereof with which the United States is at peace, or any railroad, canal, bridge, or other public utility so situated, and if one or more such persons commits an act within the jurisdiction of the United States to effect the object of the conspiracy, each of the parties to the conspiracy shall be fined not more than \$5,000 or imprisoned not more than three years, or both.

(b) Any indictment or information under this section shall describe the specific property which it was the object of the conspiracy to injure or destroy.

The first of these provisions (18 U.S.C. §960) is derived from the Neutrality Act of 1794, while the second was first enacted in 1917. It is helpful to review both acts to ascertain whether these provisions were intended to constrain activities carried out by a government agency with the approval of the President.

The Neutrality Act of 1794

Professor Charles G. Fenwick, in his 1913 study, The Neutrality Laws of the United States, provides this background to the enactment of the first neutrality act in 1794:

[T]hroughout the summer of 1793 rumors were constantly being received that armies were being organized in the South and West by the agents of [French Ambassador] Genet. One army was preparing, it was said, to lay siege to New Orleans, then in the possession of Spain, while another was planning to march across Georgia and invade the Floridas. Governor Shelby, of Kentucky, refused to prosecute the alleged offenders, and replied to Jefferson that all citizens had a right to leave the state, and that there was nothing to prevent them from taking arms and ammunition with them.⁴

4. C. Fenwick, The Neutrality Laws of the United States 24 (1913).

UNCLASSIFIED
FOR OFFICIAL USE ONLY

UNCLASSIFIED

J 4811

Concerned by these reports, President Washington said in his fifth annual report to the Congress in December 1793:

As soon as the war in Europe had embraced those powers with whom the United States have the most extensive relations there was reason to apprehend that our intercourse with them might be interrupted and our disposition for peace drawn into question by the suspicions too often entertained by belligerent nations. It seemed, therefore, to be my duty to admonish our citizens of the consequences of a contraband trade and of hostile acts to any of the parties and to obtain by a declaration of the existing legal state of things an easier admission of our right to the immunities belonging to our situation. Under these impressions the proclamation which will be laid before you was issued. . . .

Where individuals shall, within the United States, array themselves in hostility against any of the powers at war, or enter upon military expeditions or enterprises within the jurisdiction of the United States, or usurp and exercise judicial authority within the United States, or where the penalties on violations of the law of nations may have been indistinctly marked, or are inadequate--these offenses can not receive too early and close an attention, and require prompt and decisive remedies. [Emphasis added.]⁵

In addition, both before and after this message Washington issued neutrality proclamations "exhorting all citizens to avoid acts tending to contravene" his neutrality policy.⁶

Congress responded to the President's request less than six months later by enacting the first Neutrality Act, which provided in part:

Section 5. And be it further enacted and declared, that if any person shall within the territory or jurisdiction of the United States begin or set on foot or provide or prepare the means for any military expedition or enterprise to be carried out from thence against the territory or dominions of any foreign prince or state with whom, the United States are at peace, every such person so offending shall upon conviction be adjudged

5. I J. Richardson, Messages and Papers of the Presidents 131 (1897).

6. H. Wheaton, Elements of International Law §439n. (R. Dana, 8th ed. 1866).

UNCLASSIFIED
FOR OFFICIAL USE ONLY

UNCLASSIFIED

guilty of a high misdemeanor, and shall suffer fine and imprisonment at the discretion of the court in which the conviction shall be had, so as that such fine shall not exceed three thousand dollars nor the term of imprisonment be more than three years.⁷

J 4812

Rather than being aimed at constraining the President, this act was passed at the express request of the President (and indeed required the support of the Vice President to break a tie vote in the Senate).⁸ The statute was to expire after two years, but in 1797 was extended in force for another two years, and it became a permanent law by act of April 24, 1800.⁹

It seems clear that by 1866, when Dana's edition of Wheaton's Elements of International Law was published, the 1794 Neutrality Act was viewed as a constraint on the activities of private citizens. In a lengthy footnote, Dana writes of the "sovereign power of every State" to "interfere to prevent its subjects from engaging in the wars of other States, by which its own peace might be endangered, or its political or commercial interests affected. [Emphasis added.]"¹⁰ In this context, he then referred to "[t]he example of the American government" as "vindicating the justice and policy of preventing the subjects of a neutral country from enlisting in the service of any belligerent power, and of prohibiting the equipment in its ports of armaments in aid of such power. [Emphasis added.]" Dana continues: "Such was the conduct of that government under the presidency of Washington, and the secretaryship of Jefferson; and such was more recently the conduct of the American legislature in revising their neutrality statutes in 1818" ¹¹

In 1896 the Supreme Court noted that "[t]he prohibition against military expeditions 'must be reasonably construed, and not so as to defeat the obvious intention of the legislature.'" ¹² Discussing the same statute a year later in United States v. The Three Friends, the Court observed that "no nation can permit unauthorized acts of war within its territory in infraction of its sovereignty [emphasis added]," ¹³ and noted:

7. 1 Stat. 384.

8. United States v. The Three Friends, 166 U.S. 1, 53 (1897).

9. Fenwick, The Neutrality Laws of the United States 27.

10. Wheaton, Elements of International Law §439.

11. Ibid.

12. Wiborg v. United States, 163 U.S. 632, 647 (1896), quoting United States v. Lacher, 134 U.S. 624, 628 (1890).

13. 166 U.S. at 52.

UNCLASSIFIED
FOR OFFICIAL USE ONLY

UNCLASSIFIED

[I]t was deemed advisable to pass the act . . . in] 4813
 order to provide a comprehensive code in prevention
 of acts by individuals within our jurisdiction
 inconsistent with our own authority, as well as
 hostile to friendly powers. [Emphasis added.]¹⁴

It seems beyond question that the obvious intention of the legislature in passing the predecessor to 18 U.S.C. §960 was to outlaw unauthorized acts of hostilities by private citizens, not to restrict the activities of U.S. intelligence agencies approved by the President. Legal authorities and lay commentators have recognized that the statute does not apply to governmental activities,¹⁵ but the issue has to my knowledge not been decided by the courts. In the 1976 case of Bennett v. United States Department of Defense,¹⁶ a freedom of information suit in the U.S. District Court for the Southern District of New York, it was contended that the documents sought would show that U.S. intelligence agencies had violated 18 U.S.C. §§956 and 960 by conducting "expeditions" against Cuba. In response, the Department of Justice argued:

18 U.S.C. §§956 and 960 are not proscriptions against activities conducted by the Government, but are solely designed to prohibit actions by individuals acting in a private capacity which might interfere with the foreign policy and relations of the United States, and are to be enforced by criminal authorities.¹⁷

The court found it unnecessary to address this issue, noting that even if the allegations were true "there is nothing in

14. Ibid. at 53.

15. See, e.g., 78 Am.Jur. 2d §160 (1975) ("Breaches of neutrality such as arise from official acts obviously do not concern the established courts of justice Such acts of individuals, however, as amount to violations of neutrality are taken cognizance of by municipal law."); Los Angeles Times, Feb. 3, 1983 (referring to possible prosecution of former Green Beret Bo Gritz for trying to rescue alleged POW's in Laos: "The law bans furnishing money for any private military 'expedition or enterprise' against such countries as Laos, with which the United States is at peace [emphasis added]"; Note, "Nonenforcement of the Neutrality Act: International Law and Foreign Policy Power Under the Constitution, 95 Harv. L. Rev. 1955, 1956 (1982) (referring to "the international and domestic laws that have been invoked throughout American history against private expeditions aimed at toppling unstable foreign regimes [emphasis added].")

16. 419 F.Supp. 633 (S.D.N.Y. 1976).

17. Memorandum in Support of Defendants' Motion for Summary Judgment at 7, Bennett v. United States Department of Defense.

UNCLASSIFIED

FOR OFFICIAL USE ONLY

UNCLASSIFIED

J 4814

the FOIA, its legislative history, or in Executive Order 11652 to suggest that information vital to the national security is not worthy of protection solely because of the means employed to obtain it."¹⁸

The Smith Case

Those who contend that 18 U.S.C. §960 restricts activities of government agencies rely heavily, if not entirely, upon an 1806 decision of the U.S. Circuit Court for the District of New York, United States v. Smith.¹⁹ When considered in context, this case is found to be clearly distinguishable on both factual and legal grounds.

In the early nineteenth century, many Americans were sympathetic to the cause of Spanish colonies in Latin America that wished to follow the example set by the U.S. in 1776. Professor Fenwick writes:

It was doubtless in many cases not only the cause of liberty which induced American adventurers to take part in the struggle, but the opportunity thereby offered of sharing in the rich harvest of plunder to be obtained by preying upon the commerce of Spain. While the government of the United States strictly refrained from giving any aid to the struggling colonies, it found great difficulty in preventing individual citizens from taking up the cause of the revolutionists. [Emphasis added.]²⁰

William S. Smith, the defendant, had been charged with "setting on foot, and providing the means for a military expedition to be carried out from the city of New York against the dominions of Spain in South America."²¹ If nothing else Smith's attorneys were creative, and they sought to delay the trial until the court could compel the appearance of Secretary of State James Madison and various other senior government witnesses. When those officials provided an affidavit stating that they had no knowledge of the case, that they would be willing to give depositions in Washington, but that their official duties prevented them from traveling to New York at the time, this was declared unacceptable by defense counsel, who asked that trial be delayed until the witnesses could be compelled to appear. Further, counsel for defendant sought to introduce into evidence a variety of presidential statements and messages to the Congress.

18. 419 F.Supp. at 666.

19. 27 F. Cas. 1192, 1233 (D.N.Y. 1806) (Nos. 16,342 and 16,342a).

20. Fenwick, The Neutrality Laws of the United States 32.

21. 27 F. Cas. at 12333.

FOR UNCLASSIFIED

UNCLASSIFIED

J 4815

From the lengthy trial record it appears that Smith put forth two main arguments. He said that he would prove by the testimony of the witnesses that the enterprise in question "was begun, prepared, and set on foot with the knowledge and approbation of the president of the United States . . . and . . . the secretary of state . . ." ²² In addition, since an element of the offense charged was that the United States and Spain were "at peace" at the time of the alleged offense, he sought to prove by Secretary Madison's testimony and the various presidential documents that the two States were in fact at war.

The strained nature of the defendant's argument is apparent from this explanation by Smith's counsel:

We shall show from the journals of congress when their secret session began, and how long it continued. We shall prove that it was universally believed that congress had secretly passed an act for going to war with Spain. We shall read the president's message at the opening of the last congress, and a variety of documents communicated by him, on the sixth of December. And we shall then, from proving the notoriety of the preparation for General Meranda's expedition as well here as at Washington, and by a variety of other circumstantial testimony, bring home to the president the knowledge we impute to him. ²³

Shortly thereafter, this exchange occurred between Justice Paterson and defense counsel Emmett.

PATERSON, Circuit Justice. You state in the affidavit that it was done with the knowledge and approbation of the president, but is it stated in the affidavit that he authorized the fitting out of the expedition?

Emmett. I conceive it was not necessary; for though I have argued upon the effects of an authorization, it was only to show that the argument of adverse counsel went much too far, when they contended that the president could not authorize any such measure. For our defence, it will be only necessary to show that the president was, under the circumstances of the times, warranted to provide and prepare the means for a military expedition; and that, in what he might do, we acted with his knowledge and approbation. "Qui prohibere potest et non prohibet, jubet." The knowledge and approbation

²². Ibid. at 1196.

²³. Ibid. at 1200.

UNCLASSIFIED

UNCLASSIFIED

-9-

of the chief magistrate and heads of departments, if we shall prove them to have been sufficiently express and positive, will amount to justification; but even if we shall fail in establishing them to that extent, they will still afford very powerful inducements for mitigating the punishment.²⁴

J 4816

Not only was the President's "knowledge" to be imputed by the notoriety of the preparations, but his "approbation" seems to have been inferred from his failure to warn Smith that his action would violate the law. Smith's counsel argued:

I have already said that the president is to be considered as the parent of the American family. As such, he was bound to warn them against the commission of any criminal proceedings that came to his knowledge, and he could not neglect to do so without a violation of his duty.²⁵

Thus this was not a case in which the President had directed government officials to conduct an operation, but rather a clearly private venture of which it was alleged the President should have been aware. The prosecutor summarized the second major defense argument in this way:

But the adverse counsel say, that war may exist in fact, though not declared by congress And may not individuals, in such a state of things, undertake military enterprises against the offending nation without incurring the penalties of the statute? [Emphasis added.]²⁶

He then provided the government's interpretation of the statute:

The plain and obvious meaning of this statute is, that while the government of the country are at peace, all the citizens should be bound to observe the duties of that situation, and the very object of the statute is to prevent individuals from plunging the nation into war, by their own unauthorized acts of violence. [Emphasis added]²⁷

In response, counsel for the defense said:

We fully admit, that an individual acting offensively against a common enemy, must be regularly authorized

24. Ibid. at 1221.

25. Ibid. at 1226.

26. Ibid. at 1239.

27. Ibid.

UNCLASSIFIED

FOR OFFICIALS USE ONLY

UNCLASSIFIED

J 4817

by his own government, otherwise his aggressions might be deemed piratical, and himself rendered liable to punishment, as well by the foreign nation as by our own tribunals. The court surely understands that Col. Smith is not charged with an offence of this nature; that the indictment is founded on a particular statute; and that to bring him within its penalty, Spain must have been at peace with the United States. But we offer to prove her at war, and the sole question is on the admissibility of the evidence, necessary to establish that fact. . . .

I conclude with entreating the court always to distinguish, that we are not indicted for any offence against the law of nations; but charged with infracting a particular statute, of which there could be no breach, if Spain was at war with us.²⁸

In charging the jury, Judge Tallmadge explained:

That [it is claimed] these means were so provided and prepared by the knowledge and approbation of the president and secretary [of State], you have already the opinion of the court, can afford the defendant no justification in the breach of positive law, however far the fact, if so, may operate to produce a pardon from the executive.²⁹

It is this language that has been relied upon to establish the proposition that 18 U.S.C. §960 prohibits the President from authorizing the CIA to conduct covert activities. From the record there appears to have been no suggestion by Smith's counsel that he was acting in an official capacity or that the government had initiated the expedition. The Smith case is simply not on point. Further, it can be suggested that if Smith had concluded that the legislative intent behind 18 U.S.C. §960 was to prohibit government activities authorized by the President, the case would have been decided in error. A contrary legislative intent seems clear from the record.

Neutrality Act of 1917

During World War I Congress passed "An Act to Punish Acts of Interference with the Foreign Relations, the Neutrality, and the Foreign Commerce of the United States, to Punish Espionage and Better to Enforce the Criminal Laws of the United States, and for Other Purposes."³⁰ Commonly referred to at the

28. Ibid. at 1240, 1242.

29. Ibid. at 1245.

30. 40 Stat. 266.

UNCLASSIFIED

FOR OFFICIAL USE ONLY

UNCLASSIFIED

-11-

J 4813

time as the "spy" bill or the espionage bill,³¹ its text had been written by the Justice Department in cooperation with the Department of War and the Department of the Navy.³² Its terms were frequently discretionary, providing in various parts that "The President may" act "as he deems necessary" (emphasis added),³³ that "The President may withhold clearance," (emphasis added),³⁴ that "the President . . . may detain" (emphasis added),³⁵ and that "Whenever . . . the President shall find that the public safety shall so require, . . . it shall be unlawful to export" ³⁶ The most controversial provision (finally rejected), would have in the words of the House floor manager (Representative Webb) authorized "the President by proclamation to declare the existence of a national emergency, arising either out of war or a threat of war, and by proclamation to prohibit the publishing or communicating of information relating to the national defense which, in his judgment, is of such character that it is or might be useful to the enemy [emphasis added]."³⁷ This was clearly a bill to increase the President's power, not to limit it, and much of the floor debate centered around the need to "trust" the President on the one hand,³⁸ and the fear that the bill might grant him too much power, on the other.³⁹

Again and again it was stressed that the purpose of the bill was to restrict "individual citizens"⁴⁰ and "the public"⁴¹ and to prevent "unlawful acts against the Government."⁴² When it was suggested that the bill's censorship provisions might prevent the Navy or War departments from giving out public information, Congressman LaGuardia responded: "This bill is not intended to curb the War Department or the Navy Department from giving out information. It is to curb other people from giving information."⁴³

The provision outlawing conspiracies "to injure or destroy specific property situated within a foreign country and belonging to a foreign government . . . with which the United States is at peace" (now codified at 18 U.S.C. §956) was not

31. 55 Cong. Rec. 1965 (Rep. Morgan).

32. Ibid. at 1591, 1695.

33. Title II, §4.

34. Title V, §1.

35. Title V, §2.

36. Title VII, §1.

37. 55 Cong. Rec. 1592.

38. See, e.g., ibid.

39. See, e.g., ibid. at 1601.

40. Ibid. at 1695.

41. Ibid. at 1590.

42. Ibid. at 1750.

43. Ibid. at 1696.

UNCLASSIFIED

FOR OFFICIAL USE ONLY

UNCLASSIFIED

-12-

J 4819

included under the "Enforcement of Neutrality" provisions in Title V, but rather in Title VIII, which was entitled "Disturbance of Foreign Relations." This is significant. The Supreme Court has frequently observed that the President is the "sole organ of the Federal Government in the field of international relations"⁴⁴--it can hardly be contended that the President should be treated like a private citizen if his official actions "disturb" our foreign relations.

Although as noted above⁴⁵ the Department of Justice has argued that 18 U.S.C. §956 does not apply to the government, there has been only one actual prosecution under the statute in it's sixty-six year history. In 1967 a copper speculator was charged with conspiring to destroy a railroad bridge in Zambia in order to keep copper off the international market and enhance the value of his own investment. Noting that the statute had not previously been used, he attempted to raise an equal protection claim. In its decision in United States v. Elliott,⁴⁶ the U.S. District Court for the Southern District of New York observed:

He has not offered evidence even touching upon an example of any other person who conspired to destroy property in any nation with which the United States was clearly at peace and who was not prosecuted. Instead, he has raised situations such as North Vietnam or the Bay of Pigs where government complicity would effectively bar any prosecution. [Emphasis added.]⁴⁷

It would thus seem beyond reasonable doubt that 18 U.S.C. §956 does not restrict presidentially-approved activities of the Central Intelligence Agency.

The War Powers Resolution

During floor debate in the House of Representatives last December concerning alleged U.S. covert activities in Central America, Congressman Leach of Iowa alleged:

Finally, U.S. covert military involvement in Central America raises again troubling questions related to the authorities of the executive branch under the War Powers Act. . . . Clearly the situation confronting the Congress today raises the question as to whether the administration is committed to a policy in Central America which

44. United States v. Curtiss-Wright Export Corp., 299 U.S. 304, 319-20 (1936); Haig v. Agee, 453 U.S. 280, 291 (1981); Dames & Moore v. Regan, 453 U.S. 654, 661 (1981).

45. See *supra*, note 17 and accompanying text.

46. 266 F.Supp. 318 (S.D.N.Y. 1967).

47. Ibid. at 324.

UNCLASSIFIED

FOR OFFICIAL USE ONLY

UNCLASSIFIED

may lead to a violation of the spirit if not the letter of the War Powers Act. . . . Congress should act today to hold the administration accountable for its activities under the War Powers Act⁴⁸

J 4820

Less than a month later, the New York Times editorialized on the same subject: "Any secret commitment of American forces to attacks in or against Nicaragua would violate . . . the War Powers Act."⁴⁹

This suggestion can be dealt with quickly. The 1973 War Powers Resolution simply does not apply to CIA activities which do not involve a commitment of U.S. Armed Forces personnel.⁵⁰ Indeed, that fact was apparent to the legislators who enacted the bill and was a source of deep concern to some of them. On July 20, 1973, Senator Thomas Eagleton introduced an amendment to the war powers bill which would have included within its coverage:

Any person employed by, under contract to, or under the direction of any department or agency of the United States Government who is either (a) actively engaged in hostilities in any foreign country; or (b) advising any regular or irregular military forces engaged in hostilities in any foreign country.⁵¹

As Senator Muskie explained: "The purpose of this amendment . . . is to give the Congress greater control over the paramilitary activities of the Central Intelligence Agency."⁵² Senator Fulbright warned that if the amendment was not adopted, "any future President can end-run the law and use the CIA in this fashion."⁵³

48. 128 Cong. Rec. H9150 (daily ed., Dec. 8, 1982).

49. New York Times, Jan. 5, 1983.

50. However, the assignment of members of U.S. Armed Forces "to command, coordinate, participate in the movement of, or accompany the regular or irregular military forces of any foreign country or government when such military forces are engaged, or their exists an imminent threat that such forces will become engaged, in hostilities" is covered by section 8(c) of the War Powers Resolution. From what the Board has been told and from press accounts this does not appear to fit the present case. Further, it might be argued that this language is inapplicable because the "contras" are not "regular or irregular military forces of any foreign country or government" [Emphasis added.] (I would not recommend such an analysis.)

51. 119 Cong. Rec. 25081.

52. Ibid.

53. Ibid. at 25084.

UNCLASSIFIED

FOR OFFICIAL USE ONLY

UNCLASSIFIED

-14-

J 4821

Opposition to the Eagleton Amendment was led by Senator Javits --the principal sponsor of the war powers bill--who argued against changing the bill and noted:

Another important consideration is that there [--] outside the Armed Forces, was [sic] are covered by the bill [--] is no agency of the United States which has any appreciable armed forces power, not even the CIA. They might have some clandestine agents with rifles and pistols engaging in dirty tricks, but there is no capability of appreciable military action that would amount to war. Even in the Laotian war, the regular U.S. Armed Forces had to be called in to give air support. The minute combat air support is required you have the Armed Forces, and the bill becomes operative.⁵⁴

When the amendment was put to a roll call vote, it was defeated 34 to 53.⁵⁵ Two years later, in 1975, Senator Eagleton again moved to include CIA paramilitary activities within the provisions of the War Powers Resolution, but no action was taken on his bill.⁵⁶

It is therefore clear that involvement by CIA employees in paramilitary activities is not covered by the War Powers Resolution. A different result might be indicated were there evidence that members of the U.S. Armed Forces on detail or otherwise under the direction of the CIA were involved in such an operation. Certainly any entry into Central America by members of the U.S. Armed Forces while "equipped for combat" or under circumstances which clearly indicated "imminent involvement in hostilities" would appear to require a report to Congress and (depending upon the circumstances) prior consultation. I am still investigating, but thus far I have no reason to believe that any members of the armed forces are so involved. There have been reports that 15 to 20 U.S. Air Force pilots have been involved in conducting reconnaissance flights over Nicaragua for intelligence gathering purposes,⁵⁷ but unless they were "equipped for combat" or imminent involvement in hostilities were "clearly indicated by the circumstances," such activities would not trigger the provisions of the War Powers Resolution.

Keeping Congress Informed

In enacting the Intelligence Authorization Act for Fiscal Year 1981,⁵⁸ the Congress required by statute that it be kept "fully and currently informed" about, inter alia, all covert activities. This was done by amending the 1974 Hughes-Ryan Amendment to the Foreign Assistance Act of 1961⁵⁹ to designate

54. Ibid. at 25082.

55. Ibid. at 25092.

56. 121 Cong. Rec. 15579-83.

57. New York Times, April 3, 1983.

58. Pub. L. 96-450, 94 Stat. 1975, 1981 (1980).

59. Pub. L. 93-559, 88 Stat. 1985 (1974)

UNCLASSIFIED

SECRET

UNCLASSIFIED

J 4822

every CIA operation in a foreign country other than "activities intended solely for obtaining necessary intelligence" as "a significant anticipated intelligence activity," and then adding a new title to the National Security Act of 1947. As amended, section 501 of the National Security Act provides that the DCI and the heads of other departments and agencies within the Community shall:

(1) keep the [congressional intelligence committees] . . . fully and currently informed of all intelligence activities which are the responsibility of, are engaged in by or are carried out for or on behalf of, any department, agency, or entity of the United States, including any significant anticipated intelligence activity, except that (a) the foregoing provision shall not require approval of the intelligence committees as a condition precedent to the initiation of any such anticipated intelligence activity, and (b) if the President determines it is essential to limit prior notice to meet extraordinary circumstances affecting vital interests of the United States, such notice shall be limited to the chairman and ranking minority members of the intelligence committees, the Speaker and minority leader of the House of Representatives, and the majority and minority leaders of the Senate
[Emphasis added.]

In recent months there have been allegations in the press that, in the words of one account, "the Administration is probably violating the spirit, if not the letter, of the requirement that such operations be reported to the Congressional intelligence committees--a requirement adopted precisely to prevent the executive branch from conducting secret wars behind Congress's back." 60

I have made a preliminary investigation of this charge--including lengthy discussions with both Republican and Democrat senior staff members on the Senate Select Committee on Intelligence. I am led to believe as a result that the CIA has been very candid in reporting to that committee under these statutes. I can pursue this further if the Board wishes, but to do a thorough job would require both access to the transcripts of Agency briefings and a more detailed knowledge of the alleged activities in question. I'm not certain that level of effort is warranted by the sort of unourced allegation we are dealing with here.

60. New York Times, Nov. 18, 1982.

FOR OFFICIAL USE ONLY UNCLASSIFIED

UNCLASSIFIEDThe Boland Amendment

J 4823

The Intelligence Authorization Act for FY 1983 included a classified annex which expressed the "sense of the conferees" that no funds authorized by the act should be used "to overthrow the Government of Nicaragua or to provoke a military exchange between Nicaragua and Honduras."⁶¹ I was informed by congressional staff sources (who asked that their identities be protected) earlier this year that some members of the intelligence committees felt that this restriction (if a non-binding "sense of the conferees" provision can be so characterized⁶²) was not being observed.

On December 8, 1982, when the continuing resolution for FY 1983 was pending before the House, Congressman Harkin introduced an amendment as follows:

None of the funds provided in this Act may be used by the Central Intelligence Agency or the Department of Defense to furnish military equipment, military training or advice, or other support for military activities, to any group or individual, not part of a country's armed forces, for the purpose of assisting that group or individual in carrying out military activities in or against Nicaragua.⁶³

While this was being debated, House intelligence committee chairman Boland made public the above mentioned classified annex and proposed a substitute amendment to the Harkin amendment reading as follows:

None of the funds provided in this Act may be used by the Central Intelligence Agency or the Department of Defense to furnish military equipment, military training or advice, or other support for military activities, to any group or individual, not part of a country's armed forces, for the purpose of overthrowing the Government of Nicaragua or provoking a military exchange between Nicaragua and Honduras.⁶⁴

In return, Congressman Harkin offered a substitute to the Boland substitute which read:

None of the funds provided in this Act may be used by the Central Intelligence Agency or any

61. 128 Cong. Rec. H9156 (daily ed., Dec. 8, 1982).

62. Here I am not suggesting that it might be politically wise to ignore the expressed opinion of the conferees--I am only saying that in this form the language is not legally binding.

63. 128 Cong. Rec. H9148 (daily ed., Dec. 8, 1982).

64. Ibid., at H9158

UNCLASSIFIED

UNCLASSIFIED

agency of the Department of Defense to furnish military equipment, military training or advice or other support for military activities, to any individual or group which is not part of a country's armed forces and which is already known by that agency to have the intent of overthrowing the Government of Nicaragua or of provoking a military conflict between Nicaragua and Honduras.⁶⁵

J 4824

The Harkin substitute was defeated by a vote of 13 to 27 on a division of the House,⁶⁶ and on a roll call vote the Boland substitute passed 411 to 0.⁶⁷ This language was subsequently accepted by the Senate in conference, and became law when the act was signed by the President.

Most of the recent legal criticism of alleged U.S. covert activities in Central America centers around this law. In late March, 37 House members sent a letter to the President reportedly warning that CIA activities in Central America may be violating the law.⁶⁸ Senator Moynihan, the ranking Democrat on the Senate intelligence committee, has been quoted by the New York Times as saying that while the committee has not as yet reached a consensus on whether the Boland amendment has been breached, "A growing number of my colleagues question whether the C.I.A. is complying with the law . . ."⁶⁹ Shortly thereafter, the Washington Post quoted Moynihan as saying that "a crisis of confidence" was building over this issue between Congress and the intelligence agencies. "It is absolutely necessary that the administration obey the law," said Moynihan, who expressed the view that either the law or the operations must be changed because the current situation is untenable."⁷⁰ Senator Goldwater has also been quoted as believing that the CIA might be involved in "plans to destabilize the Nicaraguan government,"⁷¹ but an inquiry to his office produced a denial that he had made any such statement.⁷²

65. Ibid., at H9159.

66. Ibid.

67. Ibid.

68. New York Times, April 1, 1983.

69. Ibid.

70. Washington Post, April 3, 1983.

71. Christian Science Monitor, March 29, 1983.

72. On March 29 I telephoned Denny Sharon, Senator Goldwater's Armed Services Legislative Assistant (Robb Simons, Goldwater's man on the intelligence committee, was out of town). Denny was unfamiliar with the Monitor article, but copied down the key language and said he would check with the Senator (who was out of town). On the morning of March 31, Denny called me back and said the Senator told him that he had made no such statement concerning alleged U.S. involvement in Nicaragua and that he would send a communication to the Monitor disavowing their account.

UNCLASSIFIED

UNCLASSIFIED

-16-

J 4825

The words "for the purpose of . . ." are critical to understanding the Boland Amendment. Does this bar expenditure of funds by the CIA only when the Agency's purpose is to overthrow the Nicaraguan government or to provoke a confrontation with Honduras, or does it also bar funding of a paramilitary group when the Agency's purpose is to pressure Nicaragua to cease its aggression against El Salvador but when the recipient group's objective is to overthrow the Nicaraguan government? The administration has taken the former view--that it is the CIA's "purpose" that is controlling--while at least some congressional critics have suggested that if either the CIA or a group receiving CIA funds has the "purpose" of overthrowing the Government of Nicaragua or provoking an exchange with Honduras the statute prohibits assistance to that group. The Washington Post recently reported:

Chairman Michael D. Barnes (D-Md.) of the House Foreign Affairs subcommittee on Latin America, said CIA attorneys argue that continued spending is legal because the "purpose" of the U.S. agencies supplying money and weapons to the insurgents is not to overthrow the Nicaraguan regime, even if the purpose of the guerrillas who receive the support is to do so. "Not a jury in the country would accept this, and the House will not accept it," said Barnes.⁷³

A similar interpretation was given by New York Times columnist Tom Wicker, who wrote:

Whether the goal is to overthrow the Sandinists or merely make them more amenable to Reagan Administration pressures is not so clear.

Either way, the C.I.A. operation appears to be violating the Boland Amendment, which prohibits support of paramilitary forces "with [sic--should read "for"] the purpose" of overthrowing the Nicaraguan Government. Philip Taubman of the Times reports that C.I.A. officials claim they aren't trying to overthrow that Government, hence are observing the letter of the Boland Amendment. That's like saying you're hitting a man with a hammer but not trying to kill him; and it's the kind of sleazy, hair-splitting "deniability" that debases language and credibility alike.⁷⁴

73. Wash. Post, April 3, 1983.

74. New York Times, April 1, 1983.

UNCLASSIFIED

UNCLASSIFIED

-19-

J 4826

The distinction between the CIA's "purpose" and that of the insurgents allegedly being financed and supplied is an important one, because they don't appear to coincide. Consider this report by Washington Post writer Christopher Dickey, who recently spent time with anti-government guerrillas in Nicaragua:

"The United States is helping us in a way we don't want. They are saying no, no, no to everything. Our men want to do spectacular things," complained one counterrevolutionary political leader outside Nicaragua who was instrumental in setting up our visit. "You have the momentum, and they stop you. It's like an invisible hand holding strings."

As did his men on the ground here, he dismissed the Reagan administration's assertion to Congress that Washington's support for the anti-Sandinistas is intended essentially to cut the Nicaraguan government's arms supplies to insurgents in El Salvador.

"The people who are fighting, they are not fighting to stop the weapons," the counter-revolutionary leader said "We are fighting to liberate Nicaragua."

As [guerrilla leader] Suicide put it here in the middle of the war zone, "we're not going to stop the transport of arms and supplies to the Salvadoran guerrillas or the Guatemalan guerrillas until we cut the head off the Sandinists."⁷⁵

Fortunately, the legislative language is less ambiguous than might at first glance appear to be the case. Particularly when read in context, it is in my view beyond reasonable doubt that Congress was referring to the "purpose" of the CIA and DoD, not the purpose of the individuals and groups receiving assistance from the CIA.

To begin with, the Amendment prohibits the use of certain funds "by the Central Intelligence Agency or the Department of Defense" to furnish certain specified assistance to any "group or individual" "for the purpose of overthrowing the Government of Nicaragua or provoking a military exchange between Nicaragua and Honduras." [Emphasis added.] That is to say, the law prohibits the expenditure of funds "by" the CIA "for" the prohibited purpose. Had the Congress intended to

75. Washington Post, April 3, 1983.

UNCLASSIFIED

FOR OFFICIAL USE ONLY

UNCLASSIFIED

4827

prohibit CIA assistance "to any individual or group which is not a part of a country's armed forces and which is already known by that agency to have the intent of overthrowing the Government of Nicaragua or of provoking a military conflict between Nicaragua and Honduras," it would presumably have so stated. Indeed, immediately before unanimously adopting the Boland Amendment, the House considered and overwhelmingly rejected the language I have just quoted, which had been proposed by Congressman Tom Harkin as a substitute to the Boland Amendment. The key difference between the unanimously approved Boland Amendment and the Harkin substitute (which was defeated by a margin of greater than two to one) was that Boland restricted the CIA's "purpose," while Harkin was triggered by the CIA's knowledge of the "intent" of a paramilitary group or individual.

Accepting this interpretation, it is not legally relevant whether the Government of Nicaragua is in fact eventually overthrown, or an exchange between Nicaragua and Honduras takes place. What matters is the motive or purpose for which the assistance is provided. Assistance provided to pressure Nicaragua to cease its intervention in El Salvador--even if it resulted in the fall of the present regime--would not be unlawful; while assistance given to overthrow that regime, even if totally ineffective or actually counterproductive, would violate the law.

Some congressional critics appear to acknowledge that the "letter" of the Boland Amendment has been followed, but charge that the CIA may be violating its "spirit" by failing to maintain adequate control over the paramilitary forces receiving assistance.⁷⁶ Congress may indeed be concerned about the possible consequences of a successful paramilitary effort to overthrow the Sandinistas and the accompanying risks of a conflict between Honduras and Nicaragua--and from both a policy and a political standpoint these considerations may warrant careful attention by administration decision-makers--but as a matter of law it is inappropriate to attach

76. "Members of the Senate Intelligence Committee, including Democrats and Republicans, said this week that a majority of senators on the panel think that the C.I.A. has insufficient control over the paramilitary forces that it supports in the region. . . . [They] said that sentiment on the committee runs strongly to the view that the law has been violated in spirit if not in letter." New York Times, April 1, 1983. See also, ibid., March 30, 1983: "Senator Patrick J. Leahy, Democrat of Vermont, visited Central America earlier this year for the Senate intelligence committee. Members who have read a report that Mr. Leahy prepared about his visit said it had left little doubt that the agency, while following the letter of the Boland amendment, was violating its spirit."

UNCLASSIFIED

UNCLASSIFIED

J 4828

the terms of the rejected Harkin Amendment as baggage to the Boland Amendment. The record shows that the House considered and rejected language which would have prohibited assistance to paramilitary groups intending to overthrow the Nicaraguan government. To suggest that the Harkin Amendment was somehow incorporated into the "spirit" of the Boland Amendment is in my view simply unpersuasive.

Although not legally relevant, it is perhaps worth noting that concerns that the paramilitary contras may succeed in overthrowing the Government of Nicaragua or provoking a conflict between that State and Honduras may be exaggerated. While there have been reports by journalists who have travelled with the contras of significant peasant support for the guerrillas and resentment of the Nicaraguan government,⁷⁷ there seems to be little reason to believe victory is in sight. Consider this assessment by a Washington Post reporter from Managua:

The worries do not seem to be military for the most part. The several thousand counter-revolutionary guerrillas reported to be operating in various zones inside Nicaragua pose little serious challenge to the Sandinistas' 22,000-man conventional army, backed by more than 10,000 trained militia reserves and tens of thousands more volunteer militiamen with rudimentary drill under their belts.

And despite several warnings that Honduras risks war by allowing the antigovernment Nicaraguans to use its territory, Sandinista officials and foreign diplomats say such a conflict is unlikely unless one side or the other makes a severe miscalculation.⁷⁸

Despite the frequent allegations in the press and by some members of the Congress that the Boland Amendment is being violated, I have to date encountered no persuasive evidence that the CIA or the Defense Department is providing assistance to any group for the purpose of overthrowing the Government of Nicaragua or provoking a confrontation with Honduras. Until evidence to that effect can be obtained, I am not prepared to conclude that either the letter or the "spirit" of the Boland Amendment is being violated.

77. See, e.g., Washington Post, April 5, 1983 ("In the six days another reporter and I spent traveling through this province with the U.S.-backed soldiers fighting to overthrow the leftist Sandinista government we saw a pattern of support for the contras by people with many grievances against the revolutionary government in Managua.")

78. Washington Post, March 8, 1983.

FOR OFFICIAL USE ONLY UNCLASSIFIED

UNCLASSIFIED

Legal Authority for Covert Action

J 4829

Since the days of President George Washington nearly every U.S. president has used "secret agents" to carry out intelligence activities--not infrequently activities which would be called "covert actions" in today's parlance.⁷⁹ It is widely believed that Congress had such activities in mind when it provided in section 102(d)(5) of the National Security Act of 1947 that the CIA's duties included:

to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct.⁸⁰

(If one accepts this as affirmative statutory authority for covert action, it would also strengthen the case that 18 U.S.C. §§956 and 960--discussed supra--do not inhibit the CIA since when statutes conflict the later in time prevails.⁸¹) There is implicit authority for covert actions in the Hughes-Ryan Amendment to the Foreign Assistance Act of 1961, which requires that such activities be accompanied by a presidential finding and that they be reported to the Congress.⁸² Furthermore, both the House and the Senate have considered and strongly rejected amendments aimed at outlawing covert action.

On September 24, 1974, Congresswoman Holtzman offered an amendment to a continuing appropriations bill which would have prohibited funds from being "expended by the Central Intelligence Agency for the purpose of undermining or destabilizing the government of any foreign country."⁸³ While some of the opposition expressed to the Holtzman amendment was on procedural grounds, there were may substantive comments on both sides of the issue. A number of members spoke highly of alleged CIA covert activities--typical perhaps was this statement by Congressman Conlon:

If we want to get into the merits of Chile, if the CIA had anything to do with it, it probably was one of their finest jobs in helping bring that country out of a Communist dictatorship and bringing it back into the free world. . . . To cut off our covert intelligence operations would be a vote for national suicide.⁸⁴

When the final vote was taken, the Holtzman amendment was defeated by a margin of nearly three-to-one (108-291).⁸⁵

79. See generally, H. Wriston, Executive Agents in American Foreign Relations (1929)

80. Codified at 50 U.S.C. §403.

81. Whitney v. Robinson, 124 U.S. 190 (1888).

82. 88 Stat. 1975; 94 Stat. 1981.

83. 120 Cong. Rec. 32441.

84. Ibid., at 32443.

85. Ibid.

UNCLASSIFIED
FOR OFFICIAL USE ONLY

UNCLASSIFIED

-23-

There was little if anything said in the debate to suggest that members thought such activities were already unlawful.

4830

Similarly, on October 2, 1974, Senator James Abourezk introduced an amendment to the Foreign Assistance Act of 1974 which would have prohibited the use of any funds to carry out an activity (other than to gather intelligence information) "within any foreign country which violates, or is intended to encourage the violation of, the laws of the United States or of such country." In introducing the amendment, Senator Abourezk explained that "this amendment will, if enacted, abolish all clandestine or covert operations by the Central Intelligence Agency."⁸⁶

Senator Frank Church explained that he would vote for the amendment as a protest to recent CIA activity in Chile, because he was confident that the amendment would fail. He expressed the hope that a congressional oversight system would be created that would "solve this problem without having to outlaw covert activity outright."⁸⁷ He noted: "I can envision situations in which the national security of the United States . . . would have such overriding importance as to justify covert activity."⁸⁸

Senator John Stennis, Chairman of the Armed Service Committee, noted that for many years he had played a role in overseeing CIA activities. He remarked:

I have talked to many Senators about this. I have not found a single one, except the author of this amendment--and there are others, as I believe the Senator from Idaho [Sen. Church] did speak--who firmly believe that we ought to abolish covert actions and have no capacity in that field.⁸⁹

As had been the case in the earlier House debate, there was no indication that a significant number of members thought that covert operations were, or should be, unlawful under U.S. law. When the debate had concluded the Abourezk amendment was soundly defeated by a four-to-one margin (17-68).⁹⁰

Even if one concludes that the National Security Act of 1947 is insufficiently clear to authorize covert CIA activities, it is beyond reasonable doubt that the Congress has acquiesced in such activities for many years. That, by itself, is sufficient. As the Supreme Court noted in its 1981 decision

86. 120 Cong. Rec. 33477.

87. Ibid.

88. Ibid.

89. Ibid.

90. Ibid. at 33482.

UNCLASSIFIED

FOR OFFICIAL USE ONLY

UNCLASSIFIED

in Dames & Moore v. Regan:

J 4831

[The] failure of Congress specifically to delegate authority does not, "especially . . . in the area of foreign policy and national security," imply "congressional disapproval" of action taken by the Executive. Haig v. Agee, 453 U.S. 280 at 291. On the contrary, the enactment of legislation closely related to the question of the President's authority in a particular case which evinces legislative intent to accord the President broad discretion may be considered to "invite" "measures on independent presidential responsibility," Youngstown at 637 (Jackson, J., concurring). At least this is so where there is no contrary indication of legislative intent and when, as here, there is a history of congressional acquiescence in conduct of the sort engaged in by the President.⁹¹

Part II--ALLEGED VIOLATIONS OF INTERNATIONAL LAW

Under the Supremacy Clause of the U.S. Constitution, "all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land" ⁹² Further, the Supreme Court has declared that "International law is part of our law" ⁹³ It seems therefore appropriate for the Board to take note when an agency within the Intelligence Community is accused of violating international law--particularly fundamental treaties to which the United States is a party.

During the House debate on the Harkin/Boland amendments on December 8, 1982, one of the most frequent arguments made in favor of restricting CIA activities in Central America was that they violate international law. Time and again Congressman Harkin alleged that the Agency was doing something that is "clearly illegal."⁹⁴ He was followed by Congressman Leach, of Iowa, who asserted:

Interventionist activities are in direct contravention of international law and the legally binding treaty obligations of the United States under both the Charter of the United Nations as well as the Charter of the Organization of American States.

91. 435 U.S.S 654, 678-79 (1981).

92. U.S. Const., art. VI, cl. 2.

93. The Paquete Habana, 175 U.S. 677, 700 (1900). See also, United States v. Arjona, 120 U.S. 412, 487 (1887); and Thirty Hogsheads of Sugar v. Boyle, 13 U.S. (9 Cranch.) 191 (1815) (Marshall, C.J.).

94. 128 Cong. Rec. H 9148-49 (daily ed. Dec 8, 1982).

FOR OFFICIAL USE ONLY UNCLASSIFIED

UNCLASSIFIED

-25-

For example, Article 2 of the United Nations Charter states:

J 4832

All Members shall settle their international disputes by peaceful means in such a manner that international peace and security, and justice are not endangered. All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State * * *

Article 18 of the OAS Charter sets forth similar obligations:

No State or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State. The foregoing principle prohibits not only armed force but also any other form of interference or attempted threat against the personality of the State or against its political, economic, and cultural elements.⁹⁵

Other members made similar charges,⁹⁶ which have been echoed editorially by the Washington Post,⁹⁷ and by other influential commentators.⁹⁸

The "Inherent Right of . . . Collective Self-Defense"

Unfortunately, few of the critics evince any understanding of the clear distinction made by modern international law between impermissible intervention and a State's right to defend itself--with the assistance of other States if available--against an armed attack. An excellent example of this confusion was provided in a recent New York Times column by Tom Wicker, who wrote:

The parallel drawn in the U.N. debate and elsewhere between Nicaraguan intervention in El Salvador and that of the U.S. in Nicaragua is sleazy Aside from the disputed question how much the Salvadoran guerrillas are sponsored, armed and encouraged by the Sandinists, should the United States hold itself to no higher standards than those it rightly condemns in others?

95. Ibid. at H9149.

96. See, e.g., ibid., at H 9151 (statement of Rep. Mikulski); and ibid. at H9153 (statement of Rep. Studds).

97. Washington Post, April 5, 1983.

98. See, e.g., Washington Post, March 31, 1983 (Mary McGrory).

FOR OFFICIAL USE ONLY UNCLASSIFIED

UNCLASSIFIED

Is the covert, armed destabilization of even an obstreperous nation permissible to a democratic, law-abiding power?

J 4833

We deny that right to the Soviet Union, Cuba, Nicaragua; what gives it to us? The plea that they do it, so we can too, reflects the puerile ethic of the schoolyard: "You did it first!"⁹⁹

The issue is not the right of the United States to "destabilize" Nicaragua because communist countries try to subvert non-communist government--the issue is whether the United States is prohibited by international law from assisting El Salvador or Honduras to defend themselves against an armed attack from Nicaragua. As will be shown, this is not only clearly permissible--it is arguably a duty imposed by treaty commitments.

United Nations Charter

As the critics have observed, article 2(4) of the U.N. Charter provides that:

All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.

However, this should be read in connection with article 51, which provides in part:

Nothing in the present Charter shall impair the inherent right of individual or collective self-defence if an armed attack occurs against a Member of the United Nations, until the Security Council has taken measures necessary to maintain international peace and security. . . .¹⁰⁰

Thus, if it can be established that El Salvador or Honduras is the victim of an "armed attack" by Nicaragua--an issue which will be addressed *infra*--the United Nations Charter does not prohibit the United States from assisting either country as an exercise of "collective self-defense."

⁹⁹ New York Times, April 1, 1983.

¹⁰⁰ While the "inherent right of . . . collective self-defence" is not impaired by the Charter, in order to fully comply with the Charter's procedural requirements a State must report self-defense measures immediately to the U.N. Security Council.

SECRET**UNCLASSIFIED**

UNCLASSIFIEDOrganization of American States Charter

J 4834

Article 18 of the revised Charter of the Organization of American States is cited perhaps even more than the U.N. Charter by those who allege that the CIA is acting unlawfully. It provides:

No State or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State. The foregoing principle prohibits not only armed force but also any other form of interference or attempted threat against the personality of the State or against its political, economic and cultural elements.

Not only do the critics generally neglect to apply this provision to Nicaragua--also a party to the treaty--but they also fail to recognize that article 18 does not prohibit collective security measures under article 51 of the U.N. Charter. They don't mention, for example, article 22 of the OAS Charter, which provides:

Measures adopted for the maintenance of peace and security in accordance with existing treaties do not constitute a violation of the principles set forth in Articles 18 and 20.

Similarly, they ignore article 137:

None of the provisions of this Charter shall be construed as impairing the rights and obligations of the Member States under the Charter of the United Nations.

Indeed, an argument can be made that the United States not only has the right to respond to a request for assistance from a victim of an armed attack within the treaty area--but that it has a duty to do so. Consider the provisions of article 27:

Every act of aggression by a State against the territorial integrity or the inviolability of the territory or against the sovereignty or political independence of an American State shall be considered an act of aggression against the other American States.¹⁰¹

101. A similar principle is recognized in article 3(f) of the OAS Charter, which provides: "An act of aggression against one American State is an act of aggression against all the other American States."

FOR UNCLASSIFIED

UNCLASSIFIED

J 4835

Therefore, if it can be established that El Salvador or Honduras is the victim of "aggression" or an "armed attack" as those terms are used in the charters, then the United States is not in violation of its international legal obligations in responding to a request for assistance by one of those States--even if that assistance involves the use of necessary and proportional force.

Rio Pact

Use of force situations in Central America are also covered by the 1947 Inter-American Treaty of Reciprocal Assistance (Rio Pact), which the United States ratified in 1948. Article 1 of the Pact provides:

The High Contracting Parties formally condemn war and undertake in their international relations not to resort to the threat or the use of force in any manner inconsistent with the provisions of the Charter of the United Nations or of this Treaty.
[Emphasis added.]

Like article 137 of the OAS Charter, article 10 of the Rio Pact states that none of its provisions "shall be construed as impairing the rights and obligations of . . . Parties under the Charter of the United Nations." The key language in the Pact, however--language which closely parallels article 27 of the OAS Charter--is found in article 3, which states in part:

1. The High Contracting Parties agree that an armed attack by any State against an American State shall be considered as an attack against all the American States and, consequently, each one of the said Contracting Parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations.
2. On the request of the State or States directly attacked and until the decision of the Organ of Consultation of the Inter-American System, each one of the Contracting Parties may determine the immediate measures which it may individually take in fulfillment of the obligation contained in the preceding paragraph and in accordance with the principle of continental solidarity
4. Measures of self-defense provided for under this Article may be taken until the Security Council of

UNCLASSIFIED

UNCLASSIFIED

-29-

J 483C

the United Nations has taken the measures necessary to maintain international peace and security.

Thus, there is nothing in the Rio Pact, the OAS Charter, or the United Nations Charter which prohibits the United States from assisting other nations which have been the target of an armed attack or similar act of aggression.

Applying the Facts to the Law

The Board has not thus far engaged in serious independent fact-finding with respect to CIA activities in Central America. However, PIOB consultant John Norton Moore¹⁰² and I have been briefed by the Defense Intelligence Agency on Nicaraguan intervention in El Salvador,

[CLASSIFIED MATERIAL DELETED]

On the basis of this briefing,¹⁰³ Professor Moore indicated that he had no hesitation in concluding that Nicaragua was guilty of an "armed attack" against El Salvador in violation of the U.N. Charter. I share that view. In addition, I have separately met with CIA specialists on this subject and on the question of Nicaraguan involvement in anti-government activities in Honduras. While I am still pursuing this question, on the basis of what I have been told I am persuaded that both El Salvador and Honduras are legally entitled under the U.N. Charter and other relevant treaties to request assistance from the United States in

102. Professor Moore is Director of the Center for Law and National Security at the University of Virginia School of Law, Chairman of the American Bar Association Standing Committee on Law and National Security, and head of the Public International Law Division of the ABA's Section on International Law. He is a former Counsellor on International Law to the Department of State and is an internationally recognized expert on international law and the use of force. His many books include Law and Civil War in the Modern World (John Hopkins, 1974), and Law and the Indo-China War (Princeton, 1972).
103. Captured Salvadoran guerrilla leaders have been quoted as acknowledging a major Nicaraguan role in directing and supporting their revolution (see, e.g., Washington Times, March 10, 1983), as reportedly has the official guerrilla radio station, Radio Venceremos, which is based in Nicaragua (ibid., March 16, 1983).

UNCLASSIFIED
FOR OFFICIAL USE ONLY

UNCLASSIFIED

-30-

J 4837

defending themselves, and that the United States is legally permitted to use necessary and proportional force against Nicaragua in response to such a request.¹⁰⁴

104. This judgment should not be interpreted as a finding that United States activities in Central America constitute a use of force under international law. Whether that threshold has been breached is beyond the scope of this memorandum.

UNCLASSIFIED

Chapter 20 in 16

UNCLASSIFIED

26-16

81-5-21

N 16574

Finding Pursuant to Section 662 of the Foreign Assistance Act of 1961, As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

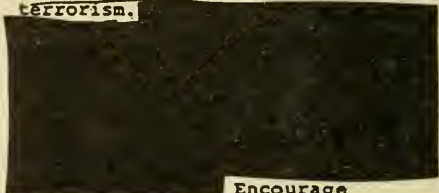
I hereby find that the following operations in foreign countries (including all support necessary to such operations) are important to the national security of the United States, and direct the Director of Central Intelligence, or his designee, to report this Finding to the concerned committees of the Congress pursuant to law, and to provide such briefings as necessary.

SCOPE

Central America

PURPOSE

Provide all forms of training, equipment and related assistance to cooperating governments throughout Central America in order to counter foreign-sponsored subversion and terrorism.



Encourage and influence foreign governments around the world to support all of the above objectives.

Handwritten note: Review by [unclear] Rose in [unclear] by B. [unclear] National Security Council

Ronald Reagan
The White House

4394

TS 0095/2-85

Date: March 9, 1981

UNCLASSIFIED

~~SECRET~~
~~UNCLASSIFIED~~

NSC/ISS 03340

Chapter 26 FN# 16

C 06430

Finding Pursuant to Section 662 of
The Foreign Assistance Act of 1961,
As Amended, Concerning Operations
Undertaken by the Central Intelligence
Agency in Foreign Countries, Other Than
Those Intended Solely for the Purpose
of Intelligence Collection

-N-44659

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and direct the Director of Central Intelligence, or his designee, to report this Finding to the intelligence committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.

SCOPE

Central America

PURPOSE

Support and conduct [redacted] paramilitary operations against [redacted] Nicaragua

Ronald Reagan

The White House
Washington, D. C.
December 1, 1981

Partial Declassification on 1/25/88
under protocol of E.O. 12958
by B. [redacted] National Security Council

4395

~~UNCLASSIFIED~~

~~UNCLASSIFIED~~

DERIVATIVE CL BY CIA
 DECL REVW ON 13 Nov 2001
EXT BYRD 6 YEARS BY 59d.5
REASON

~~SECRET~~ Chapter 26 FN #16

N 32003
N 6700

UNCLASSIFIED


Finding Pursuant to Section 662 of
The Foreign Assistance Act of 1961
As Amended, Concerning Operations
Undertaken by the Central Intelligence
Agency in Foreign Countries, Other than
Those Intended Solely for the Purpose
of Intelligence Collection

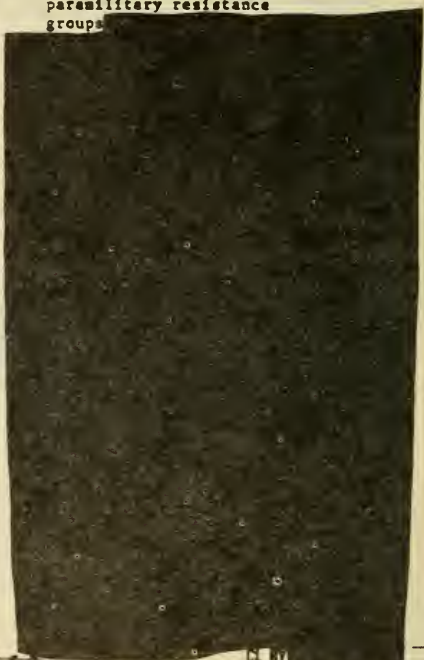
I hereby find that the following activities are important to the national security of the United States, and direct the Director of Central Intelligence, or his designee, to report this finding to the Intelligence Committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.

SCOPE

NICARAGUA

PURPOSE


provide support,
equipment and training,
assistance to Nicaraguan
paramilitary resistance
groups



1147
1802
1106

1/25/87
E.O. 12333
by P. [unclear] National Security Council

Partially Declassified/Released on 22 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

ALL PORTIONS OF THIS DOCUMENT
ARE CLASSIFIED SECRET

UNCLASSIFIED

~~SECRET~~

1167

DECL BY
DECL
DERIVED FROM *Class 47*

~~SECRET~~

UNCLASSIFIED

N 6781



-2-

~~SECRET~~

UNCLASSIFIED

~~SECRET~~
UNCLASSIFIED

N 6782

The Director of Central Intelligence is directed to ensure that this program is continuously reviewed to assure that its objectives are being met and its restrictions adhered to.

The White House
Washington, D.C.

Ronald Reagan

Date: September 19, 1983

-3-

~~SECRET~~
UNCLASSIFIED

Chapter 20 111 #16

UNCLASSIFIED

Finding Pursuant to Section 662 of
The Foreign Assistance Act of 1961
As Amended, Concerning Operations
Undertaken by the Central Intelligence
Agency in Foreign Countries, Other than
Those Intended Solely for the Purpose
of Intelligence Collection

N 17031

I hereby find that the following activities are important to the national security of the United States, and direct the Director of Central Intelligence, or his designee, to report this finding to the Intelligence Committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.

SCOPE

PURPOSE

Nicaragua

In order to induce the Sandinistas to halt their transformation of Nicaragua into a Marxist/Leninist state; to bring the Sandinistas into a meaningful dialogue with the Nicaraguan democratic opposition to achieve reconciliation of the Nicaraguan people leading to the establishment of a democracy based upon the implementation of the June 1979 Declaration of the Organization of American States and the 21 point Contadora Statement of Objectives; to induce the Sandinistas to cease exporting armed revolution and weapons in the region, the CIA is directed to:

*Portions Decl. aff. by [unclear] on 1/28/83
under pro. of E.O. 12958
by R. [unclear] [unclear] [unclear]*



ALL PORTIONS OF THIS DOCUMENT
ARE CLASSIFIED TOP SECRET

DECL OADR DRV HUM
4-82

UNCLASSIFIED

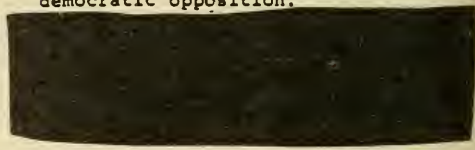
TS #858401
Copy 1 of 15

4396

UNCLASSIFIED



-- Provide assistance and non-lethal material support to the armed Resistance forces of the Nicaraguan democratic opposition.



Ronald Reagan

The White House
Washington, D.C.

Date: January 9, 1986

²
UNCLASSIFIED

TS#858401

Chapters 26 FN#16 - N9246 and N9247

UNCLASSIFIED

DENIED IN
TOTAL

UNCLASSIFIED

4397

ch. 6 # 6 i 26-30 30

SAMY GOLDWATER AKEL, CHAIRMAN
 DANIEL PATRICK MOYNIHAN, N.Y. VICE CHAIRMAN

JAKE GARRE, UTAH
 JOHN H. CHAPPEL, ALA.
 RICHARD S. LUGAR, IND.
 MALCOLM WALLOP, WYO.
 DAVID BURDESSERIS, MINN.
 WILLIAM V. ROY, JR., DEL.
 WILLIAM S. COCHRAN, MISSISS.

WALTER D. HIDDLESTON, KY.
 JOSEPH R. BIRCH, JR., DEL.
 DANIEL A. ROONEY, MASSACH.
 PATRICK J. LEAHY, VT.
 LLOYD BENTSON, TEX.
 SAM MURK, GA.

United States Senate

SELECT COMMITTEE ON INTELLIGENCE
WASHINGTON, D.C. 20510

HOWARD H. BAKER, JR., TENS. ST. OFFICE
 ROBERT C. BYRD, W. VA. ST. OFFICE

ROBERT R. SCHROEDER, STAFF DIRECTOR
 GARY J. SCHMITT, MINORITY STAFF DIRECTOR

#84-1274

April 9, 1984

UNCLASSIFIED

The Honorable William J. Casey
 Director of Central Intelligence
 Central Intelligence Agency
 Washington, D.C. 20505

Declassified on 3 FEB 88
 by [redacted]
 Provisions of E.O. 12356
 National Security Council

Dear Bill:

All this past weekend, I've been trying to figure out how I can most easily tell you my feelings about the discovery of the President having approved mining some of the harbors of Central America.

It gets down to one, little, simple phrase: I am pissed off!

I understand you had briefed the House on this matter. I've heard that. Now, during the important debate we had all last week and the week before, on whether we would increase funds for the Nicaragua program, we were doing all right, until a Member of the Committee charged that the President had approved the mining. I strongly denied that because I had never heard of it. I found out the next day that the CIA had, with the written approval of the President, engaged in such mining, and the approval came in February!

Bill, this is no way to run a railroad and I find myself in a hell of a quandary. I am forced to apologize to the Members of the Intelligence Committee because I did not know the facts on this. At the same time, my counterpart in the House did know.

The President has asked us to back his foreign policy. Bill, how can we back his foreign policy when we don't know what the hell he is doing? Lebanon, yes, we all knew that he sent troops over there. But mine the harbors in Nicaragua? This is an act violating international law. It is an act of war. For the life of me, I don't see how we are going to explain it.

My simple guess is that the House is going to defeat this supplemental and we will not be in any position to put up much of an argument after we were not given the information we were entitled to receive; particularly, if my memory serves me correctly, when you briefed us on Central America just a couple of weeks ago. And the order was signed before that.

UNCLASSIFIED

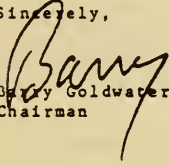
4959

UNCLASSIFIED

The Honorable William J. Casey
Page Two
April 9, 1984

I don't like this. I don't like it one bit from the President or from you. I don't think we need a lot of lengthy explanations. The deed has been done and, in the future, if anything like this happens, I'm going to raise one hell of a lot of fuss about it in public.

Sincerely,


Barry Goldwater
Chairman

UNCLASSIFIED

UNCLASSIFIED
Central Intelligence Agency

Chapter 36 FN 90
SS-1002



Washington, D.C. 20505

26-90

18 March 1985

5071

The Honorable Dave Durenberger, Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

This is in response to questions raised by the Committee regarding the Agency's plans to provide certain defensive intelligence to opposition groups in Nicaragua in light of the statutory restrictions contained in Section 8066 of the FY85 DoD Appropriation Act (incorporated in the FY85 Continuing Resolution).

We do not intend to provide intelligence to Nicaraguan opposition groups on any systematic or continuing basis. Our goal is humanitarian in nature and any intelligence we would pass would be strictly limited, on a case-by-case basis, to information which in general affects the lives of U.S. persons or third-country noncombatants or which suggests that a holocaust-type situation involving substantial loss of life may occur.

The enclosed guidelines have been developed by the Agency's General Counsel for assessing the provision of defensive intelligence to resistance forces in Nicaragua. The guidelines require that, where time permits, the General Counsel's concurrence be obtained. It is our view that these guidelines will assure careful scrutiny by Agency officials at appropriate levels for this necessary but limited activity.

ALL PORTIONS OF THIS DOCUMENT
ARE CLASSIFIED SECRET

CL BY [redacted]
DECL [redacted]
DERIVED FROM [redacted]

42/10
UNCLASSIFIED

4398

Particular...
by P...

UNCLASSIFIED

The Agency will obviously inform the Committee when defensive intelligence is provided to such groups. This letter is also being provided to Chairman Hamilton of the House Permanent Select Committee on Intelligence.

Sincerely,

William J. Casey
William J. Casey
Director of Central Intelligence

1 5072

Enclosure

UNCLASSIFIED

6/24/84

26-96

CLASSIFIED

Chapter 26 - PN 96

0338

24 June 89

memo - 10/28 - 1988

LSC ?

- Colson Mtg - 09/20

Call to Rear re Arrangements

Document w/ DC

- Roberts - New Orleans

- A.C.

- Car - [unclear] - Under memo - coming this date

- Fred Hutchinson - some down here

[REDACTED]

[REDACTED]

[REDACTED]

UNCLASSIFIED

(4400)

1/25/88

Part 10
10/28/88

UNCLASSIFIED

OGC-84-51747
23 August 1984

Change 06 11/89

-C 0415

26-99

MEMORANDUM FOR: General Counsel

FROM: [REDACTED]
Office of General Counsel

SUBJECT: H.R. 5399 -- Section 107, Prohibition on Covert Assistance for Military Operations in Nicaragua

1. The Director has asked for a legal interpretation of the restriction contained in Section 107 of H.R. 5399, which was recently passed by the House of Representatives. More specifically, OGC has been asked to analyze the effect of this provision on expenditures for staff salaries.

[REDACTED] In my view, while we plainly can pay all of these fixed costs on the basis of other appropriations, we just as clearly cannot utilize these resources in any activities which would have the effect of supporting paramilitary operations in Nicaragua by anyone.

2. In addition, we have been asked to comment upon the use of third countries to continue the Nicaragua project. I believe the Agency can request third countries to carry on the program at their own expense so long as it is made clear that no U.S. funds would be used either now or in the future to repay such a commitment. The extent to which Agency personnel can be involved in soliciting third country support would have to be determined on a case-by-case basis.

3. Although the language of Section 107 differs only slightly from that of Section 108 of the Intelligence Authorization Act for FY 84 (hereinafter Section 108), the legal effect of those differences is substantial. Section 107 reads as follows:

**PROHIBITION ON COVERT ASSISTANCE FOR
MILITARY OPERATIONS IN NICARAGUA**

Sec. 107. During 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 purpose or

EXHIBIT
[Signature]

ALL PORTIONS
CLASSIFIED

CL BY [REDACTED]
DECL [REDACTED]
DERIVED FROM FOR 5, 6, 7, 8
& 9-2

3780

UNCLASSIFIED

Partially Declassified/Retained on 8-21-87
under provisions of E.O. 12356
By R. Ryan, National Security Council

C110/657

Executive Registry 5986

UNCLASSIFIED

which would have the effect of supporting directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual. ^{1/}

L 0416

On its face and by its very title, the House version operates as a total prohibition on the use of any funds by U.S. intelligence elements during FY 85 for direct or indirect support of military or paramilitary operations in Nicaragua by anyone. This language effectively blocks all direct U.S. activities in Nicaragua and precludes U.S. financial support for the Contras during FY 85 by any means. In dissecting Section 107, we are faced with the following restrictions:

A) **RESTRICTION ON TIME** -- This prohibition would operate throughout FY85 and any subsequent supplemental appropriations would likewise be subject to its restrictions. Should this language become the final version of next year's Intelligence Authorization Act, as of 30 September 1984, an amendment of the Section would be required in order to legalize spending for the Nicaragua program.

B) **RESTRICTION ON FUNDS** -- The wording contained in Section 107 that "no funds available" may be obligated or expended for the restricted purpose translates into a total prohibition on all activities supporting paramilitary operations in Nicaragua that require funding by the U.S. The funds available are not limited by year of appropriation. Thus, reprogramming of prior year funds and releases from the Reserve for Contingencies would be prohibited. Moreover, the prohibition is not limited by its language to appropriated funds. The broadness of the wording of this section appears to prohibit the use of funds

^{1/} By comparison, Section 108 of the Intelligence Authorization Act for FY 1984 reads as follows:

LIMITATION ON COVERT ASSISTANCE FOR MILITARY OPERATIONS IN NICARAGUA

Sec. 108. During fiscal year 1984, not more than \$24,000,000 of the 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 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.

UNCLASSIFIED

Executive Registry 5987

C112/657

UNCLASSIFIED

made "available" to the Agency by other nations, groups or individuals. Therefore, the Agency could not conduct the covert action while another nation, group or ~~private individual~~ foots the bill.

C 0417

C) RESTRICTIONS ON OBLIGATIONS OR EXPENDITURES

-- This restriction on both obligations and expenditures of funds available in FY85 not only precludes Agency spending now for the restricted purpose, but forbids the making of commitments to spend available funds at some future time. This same language is contained in FY84's spending cap and the question was raised in that situation whether funds obligated in FY83, but expended in FY84, would be subject to the \$24 million limitation. It is my understanding that the question was informally resolved because the Committee reportedly did not intend the limitation to effect funds already obligated. In any event, funds that have been obligated arguably are not "available" to the Agency in a technical sense. To avoid future questions by the Committee, however, it might be appropriate to urge Congress to modify any final restrictive language in a manner that clarifies this point. Perhaps adding to the phrase "no funds available" the words "for obligation" would narrow the restriction.^{2/}

^{2/} There has been at least one instance where the language of a proposed amendment required the deobligation of funds and their return to the Treasury. Senator Proxmire offered the following amendment to the Department of State Authorization Act for FY84-85, S. 1342:

**PROHIBITION ON CERTAIN ASSISTANCE TO THE
KHMER ROUGE IN KAMPUCHEA**

Sec. 701. (a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this Act or any other Act may be obligated or expended for the purpose, or with the effect, of promoting, sustaining or augmenting, directly or indirectly, the capacity of the Khmer Rouge or any of its members to conduct military or paramilitary operations in Kampuchea or elsewhere in Indochina.

(b)(1) All funds appropriated before the date of enactment of this section which were obligated but not expended for activities having the purpose or effect described in subsection (a) shall be deobligated.

(2) All funds deobligated pursuant to paragraph (1) shall be deposited in the Treasury of the United States as miscellaneous receipts.

Executive Registry 5988

UNCLASSIFIED

CMM/65-7

UNCLASSIFIED

D) RESTRICTION ON WHO MAY SPEND -- The provision expressly states the CIA, DoD and "any other agency or entity of the U.S. involved in intelligence activities" ~~for which~~ funds are subject to the restriction. This language appears to prohibit use of funds made available to the Department of State, to the extent that expenditures of those funds would have the effect of supporting paramilitary operations. Section 107 does not, however, prohibit the Department from obligating or expending funds for diplomatic or other purposes in Nicaragua. Although the restriction does not apply to entities not involved in intelligence, such as the Department of Agriculture, for example, any appropriated funds available to those agencies could not legally be expended for unauthorized purposes under traditional appropriations law. Obviously such other agencies are not authorized by law to conduct paramilitary operations.

C 0418

E) RESTRICTION ON PURPOSE OR EFFECT -- The language of Section 107 requires the Agency not only to refrain from committing or spending funds for the express purpose of supporting paramilitary activities in Nicaragua, but also demands that the CIA anticipate the "effect" of its expenditures. Thus, funds given to the Contras that were being expended, for example, to provide humanitarian support, interdict the flow of arms in the region or assist with public relations efforts, would be prohibited only if such assistance were determined to have the "effect" of supporting paramilitary activities in Nicaragua. While the language of Section 107 itself can be construed to permit humanitarian aid by U.S. intelligence elements, the legislative history indicates that the bill's proponents would oppose any assistance to the Contras.

F) RESTRICTION ON DIRECT OR INDIRECT SUPPORT FOR MILITARY OR PARAMILITARY OPERATIONS -- The restriction on direct or indirect support for military/paramilitary operations prohibits the funding of any Agency activities which have a reasonable nexus with the Nicaraguan covert action program. While the interpretation of "direct" support may cause us few problems, how to define what will have the effect of indirectly supporting such activities in Nicaragua cannot be determined with certainty. Rather than drawing a thin line, this language paints a gray zone subject to interpretation. The provision of medical supplies to the Contras, for example, arguably has the "effect" of "indirectly" supporting their paramilitary activities.

UNCLASSIFIED

Executive Registry 5989

C110/257

UNCLASSIFIED

This point takes on particular significance when we compare this year's \$24 million cap with the "no funding" prohibition of Section 107. As we were approaching the cap, CIA informed the Committees that the Agency had not exceeded the statutory \$24 million limitation. We responded to congressional inquiries regarding certain expenditures by treating the matter as an accounting issue and distinguishing direct or indirect support from direct and indirect costs. We noted that the legislative history gave no indication that all "indirect costs" conceivably related to the program must be charged against the cap and that we had charged costs in accordance with long-standing Agency accounting procedures. The SSCI found no problems with this explanation, but the majority members of HPSCI stated their belief that all direct and indirect costs of the program should have been charged against the cap.^{2/}

C 0419

The essential difference between the cap and the prohibition is that, in the former, the Agency had authorization for an ongoing program and could expend funds and account for them in some way until \$24 million was reached; in Section 107 no expenditures can be charged against the Nicaraguan covert action program.

The only useful discussion of the meaning of the terminology "directly or indirectly" is found in the House Report on H.R. 2760, which attempted to impose an absolute ban on support for military/paramilitary operations in Nicaragua. The language of that bill is

^{2/} Only one reference was made during the floor debate to the accounting practices utilized by the intelligence community in accounting for FY84 funds. Congressman Miller remarked:

I would also suggest that the funding is illegal, because never have I seen such magnificent bookkeeping that can allow this \$21 billion to go the number of months that it has. They are always going to run out just before we take up the bill, but when the bill does not come out the way the intelligence community likes, then they are able to fund it for several months because somehow the economies are worked out. This is the most efficiently run war in history if they can make \$21 billion go this far. But we know that is not what is going on. There is diversion of other military sources and there is the raising of money in the private sector to support these mercenaries.

UNCLASSIFIED

Executive Registry 599C

C1112/657

UNCLASSIFIED

similar to the wording of Section 107 and may be helpful in determining what the House had in mind. 4/ The section's analysis of the relevant provisions of "indirect support" in the context of support of entities outside Nicaragua which operate within Nicaragua. The specific example given to show the type of indirect support that would be prohibited was training conducted exclusively outside Nicaragua if given in preparation for military or paramilitary activity inside Nicaragua.

The report expressly noted that the section would not prohibit the collection, production or analysis of intelligence. Nor would it prohibit the provision of that intelligence to foreign governments, as long as the provision of such intelligence did not support military/paramilitary operations in Nicaragua by foreign nations or other entities.

G) **RESTRICTION ON PLACE** -- Section 107 prohibits the financial support of military or paramilitary activities in Nicaragua. Funding for any activity which would take place outside Nicaragua but would have the effect of supporting paramilitary operations inside Nicaragua would thus be forbidden.

H) **RESTRICTION ON WHO DOES THE OPERATIONS** -- The restriction against funding applies to paramilitary operations "by any nation, group, organization, movement, or individual." This wording effectively prohibits the Agency's funding of such activities via intermediaries.

Legislative History

4. The legislative history is helpful only for discerning the spirit behind Section 107. There is no analysis of the wording in 20 pages of floor debate. 130 CONG. REC. H8264-84

4/

OPERATIONS IN NICARAGUA

SEC. 801. (a) None of the funds appropriated for fiscal year 1983 or 1984 for the Central Intelligence Agency or any other department, agency, or entity of the United States involved in intelligence activities may be obligated or expended for the 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. H.R. 2760, 98th Cong., 1st Sess. (1983).

C110/657

UNCLASSIFIED

Executive Registry 5991

UNCLASSIFIED

(Daily ed. Aug. 2, 1984). Both those in favor of and those against the restriction agreed, however, that Section 107 bans the provision of any funds for military or paramilitary activities in Nicaragua and that the intent is to terminate U.S. assistance to the Contras. 0421

5. Congressman Boland stated in his opening remarks that the single issue is "disagreement on the effectiveness and appropriateness of a particular covert action to overthrow the government of another nation." *Id.* at 8266. He later added that "our policy does not strengthen democracy in Nicaragua" and that "(t)his secret war should end -- today." *Id.* at 8276. Congressman Hyde noted that Section 107 "forbids any assistance to the freedom fighters in Nicaragua No food, no medicine, no ammunition, not even moral support." *Id.* at 8269. The spirit of Section 107 is abundantly clear -- the House expects Section 107 to end U.S. assistance to the Contras.

6. While the drafters more than likely attempted to imitate the Clark Amendment's prohibition on assistance of any kind for paramilitary operations in Angola,^{2/} it can be argued that the Section 107 restriction is somewhat different. Unlike the Clark Amendment, this section limits all funds rather than all assistance and it could be thought, therefore, to permit certain activities precluded under the Clark Amendment. Section 107 can be read to allow assistance that either does not require funding by intelligence elements or that does not directly or indirectly support paramilitary operations.

Staff Salaries. [REDACTED]

7. With regard to the staff salaries [REDACTED]

[REDACTED] Section 107 would prohibit the obligation or expenditure of funds available to the

^{2/} The Clark Amendment reads, in pertinent part:

Limitation on certain assistance to and activities in Angola

Sec. 401(a) Notwithstanding any other provision of law, no assistance of any kind may be provided for the purpose, or which would have the effect, of promoting or augmenting, directly or indirectly, the capacity of any nation, group, organization, movement, or individual to conduct military or paramilitary operations in Angola unless and until the Congress expressly authorizes such assistance by law enacted after the date of enactment of this section.

UNCLASSIFIED

Executive Registry 5992

C110/657

UNCLASSIFIED

Agency [redacted] for salaries [redacted] to the extent that those expenditures would have the effect of supporting paramilitary operations in Nicaragua. The question of allocation of these costs, which was an important point under the spending cap, is not an issue under the wording of Section 107. Since no funds can be obligated or expended in FY85, no covert action program by the U.S. which supports paramilitary operations in Nicaragua is possible.

C 0422

Provision of Aid By Third Countries

8. With regard to the provision of aid by third countries, Section 107 prohibits funding, not discussion. This issue also presents a gray zone subject to interpretation. Certainly asking other countries to provide aid on their own is not prohibited so long as there is no quid pro quo. If, however, the third country expected repayment from the U.S., such assistance would be forbidden. If such a country provided aid with the understanding that the U.S. would provide an equal amount for one of their programs, the Agency would be in violation of both the letter and the spirit of Section 107 and would be open to charges of deliberate circumvention of the law.

9. The more difficult question is the extent to which Agency personnel can be used to solicit third country assistance. In my view, when FY85 begins, Section 107 prohibits the payment of the salaries and expenses of personnel for solicitation of third country assistance because such efforts would have the effect of indirectly supporting paramilitary operations in Nicaragua. Once again, on the spectrum of possible Agency activities to solicit third country assistance, some efforts would clearly be prohibited and others are arguably authorized. Payment of the salary and expenses of an employee whose full-time was dedicated to soliciting such assistance would contravene the restriction. On the other hand, requests for assistance by [redacted] in the course of his normal duties presents a closer case.⁸⁷

10. Another hypothetical situation poses troubling legal questions: the use of Agency personnel as couriers for funds provided by third countries to the Contras. While I believe such activity would be prohibited by Section 107 if the courier's sole function was to pass those funds, if that item was a de minimis part of the courier's functions, it could be argued that no funds were expended for the restricted purpose.

6/ If the President tasks the representative of a nonintelligence agency to solicit such assistance in diplomatic or other channels, the letter of Section 107 would not appear to be violated, but such action might be viewed by supporters of the restriction as a violation of the spirit of that prohibition.

Executive Registry 5973

UNCLASSIFIED

C112/657

UNCLASSIFIED

11. In any event, under the requirement to keep Congress fully and currently informed concerning intelligence activities, the Agency is required to advise the Committee of any plans to solicit or provide any assistance for the Contras.

Conclusion

C 0423

12. The congressional intent behind Section 107 is to stop covering U.S. assistance to the Contras. The House crafted the language of that section tightly in order to restrict in every way possible any obligations or expenditures by U.S. intelligence elements which would result in continued assistance to military or paramilitary activities in Nicaragua. Should that language remain in the final authorization act, in my view, any close cases would be viewed by the proponents of Section 107 as efforts to circumvent the statutory prohibition.

UNCLASSIFIED

Executive Registry 5994

CIVIL 1657

UNCLASSIFIED

tribution
General Counsel



E 0424

UNCLASSIFIED

C112/657

Executive Registry 5995

Chapter - 26 FN# 103

To	Name and Address	Date	Initials
1	Robert McFarlane		
2			
3			
4			
5			
6			

ACTION	FILE
APPROVAL	<input checked="" type="checkbox"/> INFORMATION
COMMENT	PREPARE REPLY
CONCURRENCE	RECOMMENDATION
DIRECT REPLY	RETURN
DISPATCH	SIGNATURE

REMARKS John Poindexter ←
cc: Oliver North
Don Fortier
Jim Radzinski

~~TOP SECRET~~
N 45024

UNCLASSIFIED

NSC/ICS CONTROL NO. 400053

COPY NO. 2 OF 5

26-103

HANDLE VIA SYSTEM IV CHANNEL ONLY

NSC INTELLIGENCE DOCUMENT

UNCLASSIFIED

4401
11/11/81

Warning Notice
Intelligence Sources and Methods Involved
NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

UNCLASSIFIED

4401

~~UNCLASSIFIED~~

~~UNCLASSIFIED~~

SYSTEM L...
NSC/ICS-400053

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~TOP SECRET~~

January 15, 1985

N 45025

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: OLIVER L. NORTH

SUBJECT: Nicaragua Options

Attached at Tab I is a paper which proffers policy options for Nicaragua. The basic paper and its attachments (Tabs A thru H) provide a detailed assessment of the current situation and various alternatives which we can pursue during the second Administration. In short, the paper concludes that the most prudent course of action, given the threat we face from the Soviets and their surrogates in Central America, is to seek Congressional approval for resuming our support to the Nicaraguan resistance.

Tabs A thru D describe the growing Soviet/bloc relationship with the FSLM and its increasing status as a Marxist-Leninist client state. Tabs E and F provide a detailed analysis of the resistance movement and options for restoring U.S. assistance. Tabs G and H outline additional activities (economic sanctions and political action) which could supplement a revitalized resistance program.

One of the most important issues on this trip is to determine what type of support to the resistance is most palatable to our friends in the region. Don Fortier is pursuing the same strategy with the leadership in Congress. Thus, Tab F (Options and Legislative Strategy) is particularly important as background for your meetings with Heads of State in the region. You should be aware that there is growing sentiment in the Congress for some type of "overt" support to the resistance--an alternative that is undoubtedly most unpalatable [REDACTED]

RECOMMENDATION

That you skim the attached notebook and review in detail Tab F, using the options provided in your discussions with Heads of State.

Approve. *[Signature]*

Disapprove _____

Attachment

Tab I - Nicaragua Options Notebook
Tabs A thru H

4401
Partially Declassified
under provisions of
EO 12958
by P. [unclear] National Security

~~TOP SECRET~~

Declassify: OADR

~~UNCLASSIFIED~~

Chapter 26 FN# 106
I-TS/87-882
31167
2002

UNCLASSIFIED
CONFIDENTIAL
Central Intelligence Agency

I/R-85/E-93 1



Washington D.C. 20505

26-106

17 FEB 1988

Mr. Russell B. Neely
Office of Management and Budget
Washington, D.C. 20503

Russ,

Attached is a copy of the letter you requested.



Handwritten: 1/25/88 -
DECLASSIFIED
BY: [unclear]
DATE: [unclear]

CL E [redacted]
DECL OADR
DRV FROM COV 1-82

UNCLASSIFIED

4402

UNCLASSIFIED

Congress of the United States
House of Representatives
Washington, D.C. 20515

Executive Registry
84. 10306

ADMINISTRATIVE SERVICES
DICK BELMETER
COMMITTEE ON
APPROPRIATIONS
SUBCOMMITTEE
CHIEFMAN DEFENSE
TREASURY POST OFFICE
MILITARY CONTRACTORS
COMMITTEE ON
SMALL BUSINESS

8TH DIST. NEW YORK
DEPT. TO
2345 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON D.C. 20515
(202) 223-3481
DISTRICT OFFICE:
86-11 101ST AVENUE
CORONA PARK NEW YORK 11418

31162

December 11, 1984

Honorable George P. Shultz
Secretary of State
Washington, D. C. 20520

Dear Mr. Secretary:

As you are aware, the recently enacted H.J. Res. 648, making continuing appropriations for fiscal year 1985, contains a prohibition regarding assistance to the "contras" fighting in Nicaragua. Recent reports have indicated that other countries are furnishing aid to the "contra" forces in order to keep them a viable military force exerting pressure on the Sandinistas. Of the countries identified in these reports as furnishing such aid, several are Central American neighbors of Nicaragua and are themselves recipients of U.S. foreign assistance funding. For example, El Salvador has been the recipient of increased U.S. aid since the election of President Duarte, and is identified in the reports as being one of the countries aiding the "contras". If these reports are accurate, I am concerned that countries receiving U.S. foreign assistance aid may be utilizing a portion of such aid to assist the "contras" and, in so doing, effect a rather devious contravention of the law prohibiting such aid.

I would appreciate receiving your thoughts on this issue as well as your assurance that no U.S. foreign assistance funding is being utilized to effect what amounts to "revolving door" aid to the "contras".

With best wishes,

Sincerely,

3062

Joseph P. Addabbo
Member of Congress

cc: Honorable Caspar W. Weinberger
Secretary of Defense

Honorable William J. Casey
Director of Central Intelligence

Declassified/Released on 30 July 1987
Under provisions of E.O. 12356
By B. Rege, National Security Council

UNCLASSIFIED

Chapter 26 FN# 107

UNCLASSIFIED

C 5284

SUBJECT: Operations in the Record re 28 January 1986 Covert
Action Update Briefing

26-107

QUESTION: The Joint Explanatory Statement that accompanied the Conference Report on H.R. 2419 specifically prohibited intelligence agencies from engaging in activities which would amount to participation in logistics activities integral to military or paramilitary operations in Nicaragua. The Advisory language accompanying the Presidential Finding for Nicaragua of January 9, 1986, states:

"The CIA is authorized, to the extent not prohibited by law, to provide the armed resistance forces of the democratic opposition with assistance and non-letnal materiel support. Further, the CIA is authorized to share information with and give advice to the resistance, including but not limited to, intelligence and counterintelligence and advice on the effective delivery and distribution of materiel to the resistance."

-- How do you interpret "effective delivery and distribution of materiel to the resistance"? How will you ensure that advice you may give does not rise to training resistance forces in logistics activities?

ANSWER: Our interpretation of "effective delivery and distribution of materiel to the resistance" that is authorized by the 9 January 1986 Nicaragua Finding has been very conservative. Further, we recognize that Congress' intent is not crystal clear in this area as is evidenced by the exchange of letters between the Committee chairmen in early December 1985. Accordingly, we have been extremely judicious in providing advice and counsel to the armed forces of the Nicaraguan resistance. Moreover, in providing advice, we are mindful of the joint explanatory statement on Section 105 that accompanied the Intelligence Authorization Act, which directs that the intelligence agencies shall not engage in training or participate in logistics activities that are integral to the execution of military or paramilitary activities. To date, our assistance has consisted of general advice that is not specific or essential to planning or executing military or paramilitary operations in Nicaragua. Examples of the advice we have provided are:

[Redacted block of text]

4403

15 APR 82

UNCLASSIFIED

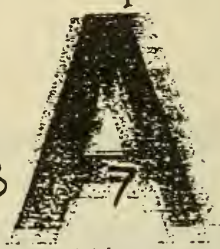
297

UNCLASSIFIED

C 5285



not involv[redacted] in training the FDN or assisting them in solving the current logistics problems. As we have briefed the Committee repeatedly in the past, the FDN requires specialized logistics training. Without this training, which we do not currently intend to give, the resistance will be forced to [redacted] rather than resupplying them in the field.



3

UNCLASSIFIED

10

44307
DECLASSIFIED FOR RELEASE
DATE 15 APR 87

26-108

22 EN 108

DOCUMENT

STATION IV

1943

UNCLASSIFIED

ACTION OFFICER

FORLONSON

- Prepare Memo For President
- Prepare Memo For Poindexter Fortier
- Prepare Memo to _____
- Prepare Memo McDaniel to Chew
- Prepare Memo McDaniel to Ellerd ⁷³ ⁶⁴⁴⁸ ₅₆₂

CONCURRENCES/COMMENTS*

PHONE to action officer at ext. 2562

- | | | |
|---|--|--|
| <p>FTI</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Burghardt <input type="checkbox"/> Cannistraro <input type="checkbox"/> Childress <input type="checkbox"/> Cobb <input type="checkbox"/> Covey <input type="checkbox"/> Danzansky <input checked="" type="checkbox"/> deGraffenreid <input type="checkbox"/> Dyer <input type="checkbox"/> Dobriansky <input type="checkbox"/> Donley <input type="checkbox"/> Douglass <input type="checkbox"/> Grimes <input type="checkbox"/> Hughes <input type="checkbox"/> Kraemer <input type="checkbox"/> Lantz <input type="checkbox"/> Lenczowski | <p>FTI</p> <ul style="list-style-type: none"> <input type="checkbox"/> Levine <input type="checkbox"/> Linhart <input type="checkbox"/> Mahley <input type="checkbox"/> Meier <input type="checkbox"/> Mendel <input type="checkbox"/> Merfeld <input type="checkbox"/> Mery <input type="checkbox"/> Mervin <input type="checkbox"/> Miller <input checked="" type="checkbox"/> North <input type="checkbox"/> Pelt <input type="checkbox"/> Pugliese <input type="checkbox"/> Raymond <input type="checkbox"/> Reiter <input type="checkbox"/> Ringgold <input type="checkbox"/> Soble | <p>FTI</p> <ul style="list-style-type: none"> <input type="checkbox"/> Sachs <input type="checkbox"/> Sartzonovich <input type="checkbox"/> Sigur <input type="checkbox"/> Small <input type="checkbox"/> Sommer <input type="checkbox"/> Spoor <input type="checkbox"/> Stark <input type="checkbox"/> Steiner <input type="checkbox"/> Tahir-Kheli <input type="checkbox"/> Teicher <input type="checkbox"/> Thompson <input type="checkbox"/> Tillman <input type="checkbox"/> Wigg <input type="checkbox"/> Wright <input type="checkbox"/> _____ <input type="checkbox"/> _____ |
|---|--|--|

INFORMATION

Secretary

COMMENTS

4/25/44
22397
11/10/44

4404
KFD-1-2
11/18/44
VF

UNCLASSIFIED

Return to Secretariat

UNCLASSIFIED

THE WHITE HOUSE
WASHINGTON
PRESIDENT'S INTELLIGENCE OVERSIGHT BOARD

April 8, 1986

33563

MEMORANDUM

FOR: JOHN M. POINDEXTER, VICE ADMIRAL, U. S. NAVY
ASSISTANT TO THE PRESIDENT FOR NATIONAL
SECURITY AFFAIRS

FROM: PRESIDENT'S INTELLIGENCE OVERSIGHT BOARD

SUBJECT: The Legality of Providing Basic Military Training
for the Nicaraguan Democratic Resistance

ISSUE: Can the Central Intelligence Agency or any other agency of
the U.S. Government legally provide generic military training to
the Nicaraguan democratic resistance?

SUMMARY: Yes, the Intelligence Authorization Act for FY 1986 does
authorize the obligation or expenditure of funds by the Central
Intelligence Agency, the Department of Defense, or other intelligence-
related agencies of the U.S. Government to provide basic military
training for the Nicaraguan democratic resistance so long as such
training does not amount to the participation in the planning or
execution of military or paramilitary operations in Nicaragua.
Although the statutory language does not explicitly allow such
training, the language of the Joint Explanatory Statement of the
Conference Report, which can be used in interpreting the Act,
prohibits only operational training, not generic military training.
In addition, neither the passage of the legislation providing
humanitarian aid, which specifically prohibits the use of these
funds for military training, nor the recent defeat of proposed
military aid to the Nicaraguan democratic resistance by the House
of Representatives, alters the conclusion that the provision of
basic military training is permissible under current law.

BACKGROUND: In October 1984 Congress terminated funding for
military assistance to the Nicaraguan democratic resistance.¹ In
April 1985 Congress voted to continue a strict prohibition on any
assistance whatsoever for the Nicaraguan democratic resistance.²
However, shortly thereafter, the President of Nicaragua, Daniel
Ortega Saavedra, paid an official visit to Moscow, where on April
28, 1985 he signed the Soviet-Nicaraguan Cooperation Pact. Congress

¹ Intelligence Authorization Act for Fiscal Year 1984, Pub. L.
No. 98-618, § 801, 98 Stat. 3304 (1984)

² 131 CONG. REC. H2391 (daily ed. April 24, 1985).

~~CONFIDENTIAL~~
~~TOP SECRET~~

CLASSIFIED BY: MULTI SOURCES
DECLASSIFY ON: OADR

REFRAME CONFIDENTIAL
EXTRACTED FROM
SECRET ANNEX

4404
UNCLASSIFIED

Partially Declassified Pursuant to E.O. 12356
under provision of E.O. 12356
by R. ROBERT NATIONAL SECURITY COUNCIL

UNCLASSIFIED

then reversed itself on the issue of assistance for the Nicaraguan freedom fighters and, in a series of legislative enactments, allowed limited U.S. involvement with the democratic resistance. Specifically, Congress appropriated \$27 million in humanitarian assistance,³ approved the furnishing of intelligence and advice by the Central Intelligence Agency (CIA) to the Nicaraguan Democratic Force (FDN),⁴ and approved the provision of communications equipment and training by the CIA.⁵

N 33564

In the aftermath of the congressional modification of the absolute ban on assistance to the FDN, a debate ensued over what kind of U.S. involvement with the FDN was legally permissible. The specific issue addressed in this memorandum is whether the provision of generic military training for the FDN is permissible under current law. Generic military training is training that is not keyed to any specific operation or operations and includes activities such as individual, unit, and technical training.

The question of training is a significant one since the FDN faces defeat by an increasingly professionalized Sandinista military. The Soviet and Cuban provision of sophisticated equipment such as the MI-24 HIND helicopters and other military equipment has augmented the fighting effectiveness of the Sandinista military.

Given the increased threat presented by the Sandinista military and the sophisticated counterinsurgency support that is being rendered by the Soviets and Cubans, there is an acute need to professionalize the FDN and other contra military units in order for them to survive in the increasingly hostile environment.

³ Supplemental Appropriations Act, 1985, Pub. L. No. 99-88, 99 Stat. 324.

⁴ Intelligence Authorization Act for Fiscal Year 1986, Pub. L. No. 99-169, 99 Stat. 1002.

⁵ Id.

UNCLASSIFIED

CONFIDENTIAL

UNCLASSIFIED

However, this leaves unresolved the critical issue of whether, under existing legislation, the Central Intelligence Agency or other agencies of the U.S. Government are legally permitted to render such training to the Nicaraguan democratic resistance. H 33565

ANALYSIS: Of the two acts that modified the prohibition on U.S. Government involvement with the Nicaraguan democratic resistance, the most germane to this discussion is the Intelligence Authorization Act for Fiscal Year 1986. This act permits the provision of military training, while the legislation authorizing humanitarian assistance appears to explicitly prohibit the use of humanitarian aid funds for such a purpose.

I The Intelligence Authorization Act for Fiscal Year 1986 Permits the Provision of Basic Military Training.

As with any issue of statutory construction, one "must begin with the language of the statute itself."⁶ The Intelligence Authorization Act for FY 1986 provides in relevant part:

Sec. 105. (a) 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 and expended during fiscal year 1986 to provide funds, materiel, or other assistance to the Nicaraguan democratic resistance to support military or paramilitary operations in Nicaragua only as authorized in Section 101 and as specified in the classified Schedule of Authorizations referred to in Section 102, or pursuant to Section 502 of the National Security Act of 1947, or to Section 106 of the Supplemental Appropriations Act, 1985 (P.L. 99-88). [Emphasis added]

§105 does not itself specify what kind of activities are allowed under the legislation. However, it makes specific reference to another section of the Intelligence Authorization Act and to sections of the two other acts. It should be noted that the three sections incorporated into Section 105 by reference are not cumulative in effect but stand independent of each other and the satisfaction of the requirements of any one of them will satisfy the requirements of Section 105. Therefore, if an examination of the other three sections reveals that any one of them allows for the provision of generic military training to the FDN then such conduct would be permissible under the Intelligence Authorization Act. In fact, such an examination demonstrates that one of the three sections in issue does authorize the expenditure for providing military training to the FDN, while the remaining two sections do not address the issue.

⁶ Bread Political Action Committee v. FEC, 455 U.S. 577, 580 (1982), quoting Dawson Chemical Co. v. Rohm & Haas Co., 448 U.S. 176, 187 (1980).

⁷ Supra, note 4 at 1003.

UNCLASSIFIED

CONFIDENTIAL

UNCLASSIFIED

1. Section 101 of the Fiscal Year 1986 Intelligence Authorization Act, as Specified in the Classified Schedule of Authorizations Referred to in Section 102 Does Authorize the Expenditure of Funds for the Provision of Information and Advice for the FBI.

On its face, Section 101 merely enumerates the elements of the U.S. Government for which funds are authorized to conduct intelligence and intelligence-related activities without reference to what specific activities are being authorized.⁸ However, it is a well settled principle of statutory construction that extrinsic aids may be considered for purposes of interpretation when the statutory language ambiguous or unclear.⁹ Therefore, a report issued by a conference committee representing both Houses can be used as an aid in construing ambiguous statutes¹⁰ and, indeed, is generally considered to be the authoritative interpretation.¹¹ The Joint Explanatory Statement of the Conference Report provides that "Classified amounts are authorized in Section 101 for intelligence agency infrastructure expenditures related to activities such as the provision of information and advice to the Nicaraguan democratic resistance . . ."¹² [Emphasis added]

Several things should be noted about the above language. First, Section 101 allows the provision of "information and advice" without further defining these concepts. It could mean basic military training.¹³ Second, the phrase "information and advice" is conditioned by the words "such as" so that the permissible activities are not limited exclusively to providing "information and advice", however these terms are defined. In construing the statutory language, one must give effect, if

⁸ Id. at 1002

⁹ N. SINGER, 2A SUTHERLAND STATUTORY CONSTRUCTION § 48.01 (1984).

¹⁰ Id. at §48.08.

¹¹ Since the conference report represents the final statement of terms agreed to by both Houses of Congress, next to the statute itself, it is the most persuasive evidence of congressional intent. Jemby v. Schweiker, 671 F.2d 507 (DC Cir. 1981)

¹² INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1986, H. R. 99-373, 99th Cong., 1st Sess. 14 (1985)

¹³ It is a well settled principle of statutory construction that, in the absence of explicit indications to the contrary, statutory terms are presumed to connote their common and accepted meanings. The common meaning of the term "advice" is to render a "recommendation regarding a decision or a course of conduct" and it "implies knowledge or experience, often professional or technical, on the part of one who advises." WEBSTER'S NINTH NEW COLLEGE DICTIONARY 59 (1983) Arguably, the provision of basic military training constitutes precisely the rendering of advice by someone who has the professional or technical knowledge of the subject matter and, hence, is authorized by the above section.

UNCLASSIFIED

UNCLASSIFIED

possible, to every word of the statute.¹⁴ Thus, the words "such as" must be given their proper effect and suggest that the above statutory enumeration of permissible activities is not exhaustive but merely illustrative. Finally, the availability of funding for the intelligence agency infrastructure could also be interpreted to mean approval for the funding of trainers. (See also the classified annex to this memorandum.)

2. Section 502(b) of the National Security Act of 1947, as Contained in Section 401 of the Fiscal Year 1986 Intelligence Authorization Act Does Not Address the Issue Concerning What Activities Are Permissible Under the Act.

This section states that "Funds available to an intelligence agency may not be made available for any intelligence or intelligence-related activity for which funds were denied by the Congress."¹⁵ In explaining this section, the Conference Report notes "The conferees have agreed to deny all funding requested by the administration for the paramilitary covert action program for Nicaragua."¹⁶ However, following the statement cited above is the explanation that Section 502 does not apply to funds available pursuant to Section 101 of the Conference Report and the Classified Schedule of funds available pursuant to Section 106 of P. L. 98-88 (described below). The Conference Report then states that the specific congressional intent embodied in Section 502(b) is to make approval either of a reprogramming or of a transfer of funds the only way in which funds, materiel, or other assistance beyond what is authorized in Section 101 and the classified Schedule referred to in Section 102, and what is available under Section 106 of the Supplemental Appropriations Act, 1985, could be provided to the Nicaraguan democratic resistance. Overall, Section 502(b) merely precludes the use of the CIA's Reserve for Contingencies for involvement with the FDN and does not enhance our understanding of what is permissible under Section 105 of the Intelligence Authorization Act for FY 86.

3. Section 106 of the Supplemental Appropriations Act, 1985 (P.L. 99-88) Does Not Address the Issue of What Constitutes Permissible Activities.

This section merely provides the procedure for expedited Congressional consideration of a Presidential request for assistance for the Nicaraguan democratic resistance and does not address the issue of permissible activities by the CIA or other government entities.

Therefore, of the three acts through which funds can be authorized to be obligated or expended for assistance to the Nicaraguan democratic resistance, only Section 101 of the Intelligence Authorization Act

¹⁴ Fidelity Federal Savings & Loan Assn. v. de la Cuesta, 458 U.S. 141, 163 (1982).

¹⁵ Supra, note 4 at 1005.

¹⁶ Supra, note 12 at 15.

UNCLASSIFIED

CONFIDENTIAL

UNCLASSIFIED

33568

for FY 1986 can be construed to permit military training while the remaining statutory sections do not address this issue. This conclusion is reinforced by the explanation of Section 105, provided in the Conference Report.¹⁷ The Joint Explanatory Statement notes:

The conferees note that under current law and the restriction contained in Section 105 of this Conference Report, the intelligence agencies may provide advice, including intelligence and counterintelligence advice, and information, including intelligence and counterintelligence information, to the Nicaraguan democratic resistance. Section 105 does not permit intelligence agencies to engage in activities, including training other than the communications training provided for pursuant to Section 105, that amount to participation in the planning or execution of military or paramilitary operations in Nicaragua by the Nicaraguan democratic resistance, or to participation in logistics activities integral to such operations.¹⁸ [Emphasis added]

¹⁷ The conference report is the most authoritative interpretation of legislative language. Supra, note 11. It supersedes the explanation on the specific matter in question provided in the Committee reports of either House. While the Senate version did not contain any statement regarding the provision of information and advice to the contras, the House Report states that ". . . the prohibition that applies to supporting Nicaraguan insurgents or 'contras' applies only to the provision of funds, goods, equipment, civilian or military supplies, or any other material, but does not include the provision of intelligence information or advice to the contras." [Emphasis added] H.R. Rep. 99-106, Part 1, 99th Cong., 1st Sess. 6 (1986). Arguably the explanation provided in the House Report can be construed to prohibit the provision of any training to the FDN. However, the other language in the House Report as well as the explanation of the House Report provided in the Conference Report undercuts the proposition the provision of that training was prohibited. The House Report refers to the prohibition of "any such funds with the effect of providing arms, ammunition or any other weapons of war." [emphasis added] Supra, note 12. Significantly, no mention is made of military training. Thus, even the House Report, standing alone, does not clearly rule out the provision of the training to the FDN. In any case, even assuming, arguendo, that it does prohibit the provision of military training, the House Report was superseded by the Conference Committee Report.

¹⁸ Supra, note 12 at 16. It should be noted that, although Committee reports carry greater weight, Congressional debate can be referred to in order to interpret ambiguous or unclear language. SUTHERLAND STATUTORY CONSTRUCTION, supra note 9 at § 48.06. However, discussion in the Congress of this language does not further define what is meant by advice or training. See, e.g. 131 CONG. REC. H10294 (daily ed. November 19, 1985) (remarks of Cong. Hamilton); Id. at H10297 (remarks by Cong. Bonior); and 131 CONG. REC. S16074 (daily ed. November 21, 1985) (remarks of Senator Durenberger).

UNCLASSIFIED

UNCLASSIFIED

W 33569

The first sentence notes that "advice, including intelligence and counterintelligence advice" may be provided to the Nicaraguan democratic resistance. Although it does not state that training is included, neither does it indicate that it is excluded. In other words, advice is not defined as "intelligence and counterintelligence advice" to the exclusion of all other forms of advice. Rather, the Conference Report simply lists, as examples, the two types of advice that are permissible and, as written, is not exhaustive.¹⁹

The more critical language is contained in the second sentence. Training is prohibited other than communications training which has a special exemption. But the training that is prohibited is defined as training that amounts to "participation in the planning or execution of military or paramilitary operations in Nicaragua" or "to participation in logistics activities integral to such operations."

There are two possible interpretations of the above language. One would suggest that all military training is prohibited. It is arguable that all military training would amount to participation in the planning or execution of military or paramilitary operations in Nicaragua. However, it is a well accepted principle of statutory interpretation that all the particulars of the statutory language must be given their due weight and that the choice of a narrowly defined prohibition by the legislators implies their rejection of a broader prohibition. Therefore, since Congress, instead of drafting a clear-cut prohibition against all military training whatsoever, opted to prohibit only that training that amounts to participation in the planning or execution of military or paramilitary operations in Nicaragua, it follows that other forms of training are permissible.

Thus, the better view is that only the furnishing of advice or training with specific operational implications is prohibited, but not the provision of generic military training, i.e. individual, unit and technical training. Generic military training can be further defined as that sort of basic training that include instruction in individual soldiering skills such as marksmanship, camouflage, movement techniques, first aid techniques, transportation of wounded persons, communications techniques, supply, military discipline, crew served weapons training (including training in air defense weapons), personal hygiene, night training, intelligence reporting, patrolling techniques and construction of individual fortifications, etc. (See also the classified annex.)

The provision of training covered by these generic categories would not violate the prohibition against training that amounts to participation in the planning or execution of military or paramilitary operations in Nicaragua." [Emphasis added] Rather, the prohibited forms of activities are clearly distinguishable from those listed

¹⁹ This is in keeping with the Conference Committee's understanding of Section 101 of the Intelligence Authorization Act which authorized "expenditures related to activities such as the provision of information and advice. . ." Supra, note 12 and accompanying text.

UNCLASSIFIED

UNCLASSIFIED

33570

above and would include U.S. Government participation in target selection, operational planning, and the integration of fire support and maneuver keyed to specific targets and operations inside Nicaragua. This kind of training would be specifically referenced to the particular features of geography, demographics, climate, communications and transportation systems, Sandinista order of battle, and other conditions or circumstances inside Nicaragua. In other words, the prohibited training is operations oriented and specific in nature and can be clearly distinguished from generic military training which is not aimed at any particular circumstances or location. In contrast, basic military training that includes the list of individual soldiering skills listed above and the unit and technical training envisioned is not peculiar to any country or region and the involvement of the CIA, the Department of Defense or of any other intelligence agency in such training would not violate the prohibition against involvement in the planning or execution of paramilitary operations in Nicaragua.

II. Senate Legislation Authorizing Humanitarian Aid to the FDN Might be Construed to Prohibit the Use of the Humanitarian Aid Funds for Military Training.

Two relevant sections of the Nunn-Lugar Amendment to the Supplemental Appropriations Act, 1985 state:

(g) As used in this section, the term "humanitarian assistance" means the provision of food, clothing, medicine, other humanitarian assistance, and transportation associated with the delivery of such assistance. Such term does not include weapons, weapons systems, ammunition, or any other equipment or materiel which is designed, or has as its purpose, to inflict serious bodily harm or death.

(h) Nothing in this section precludes sharing or collecting necessary intelligence information by the United States.²⁰

While training is not explicitly prohibited by the above statutory text, it appears from statements made by one of the Senate co-sponsors that it was meant to be excluded: For example, Senator Sam Nunn stated at one point that "it is clear that humanitarian assistance would not include training the Contras for military activity."²¹

The above statement, even if construed as a genuine congressional prohibition on the provision of military training, applies solely to the the humanitarian aid package, which was to

²⁰ 131 CONG. REC S7628 (daily ed. June 6, 1985)

²¹ 131 CONG. REC S7638-39 (daily ed. June 6, 1985) (colloquy between Sen. Nunn and Sen. Harkin). Such statements by a sponsor of the statute are considered to be an authoritative guide to statutory interpretation. North Haven Board of Education v. Bell, 456 U.S. 512, 527 (1982)

UNCLASSIFIED

UNCLASSIFIED

be administered by the Department of State, and is not applicable to funds authorized by the Intelligence Authorization Act.²²

It is also significant that the attempts to amend the humanitarian aid legislation so as to explicitly prohibit training were defeated. An amendment proposed by Sen. Harkin would have defined the language "no materiel assistance" to include the "military training, advice, and activities in support of military operations."²³ In the House of Representatives, an attempt to amend the Michel amendment by Congressman Boland on similar grounds was defeated as well.²⁴ But, even if these amendments had been passed, they would have had an impact only on the humanitarian aid legislation.

III. The Legality of Military Training is not Affected by the Recent Defeat in the House of Representatives of the Request for Additional Authority and Assistance for the Nicaraguan Democratic Resistance.

On February 27, 1986 a Joint Resolution was introduced in the U.S. Congress requesting approval for additional assistance to the Nicaraguan democratic resistance.²⁵ Although the President's message did not make reference to military training, it was an open-ended request for authority to obligate and expend at least \$70 million for military assistance out of the \$100 million requested. Subsequently, a second message was sent to Congress further detailing how the funds were to be spent. Specific reference was made to various types of training which was to take place during the first ninety days following Congressional approval of the request.²⁶ Without commenting on whether the subsequent Presidential message represented a modification on the original Joint Resolution, it is clear that the defeat of the the entire package would not affect the legality of military training under current laws. The entire legislation was defeated²⁷ and not each of its separate parts

²² It should be pointed out that no money was being appropriated through the Nunn-Lugar amendment for intelligence sharing and, in any case; the language of the amendment merely stated that such sharing was not precluded by the legislation. In addition, in a subsequent colloquy, training was proscribed by Senator Nunn but again, this was done in the context of the humanitarian aid funds and the discussion dealt only with the issue of how the word "materiel" was and defined, was not concerned with intelligence or advice. 131 CONG. REC. S7641-42 (daily ed. June 6, 1985) (colloquy between Sen. Nunn and Sen. Levin).

²³ 131 CONG. REC. S7731 (daily ed. June 7, 1985).

²⁴ 131 CONG. REC. H4143-53 (daily ed. June 12, 1985).

²⁵ 132 CONG. REC. S1788 (daily ed. February 27, 1986); and 132 CONG. REC. H741 (daily ed. February 27, 1986).

²⁶ President's Message to the Congress of the United States (March 19, 1986) at 2.

²⁷ 132 CONG. REC. H1493 (daily ed. March 20, 1986).

UNCLASSIFIED

UNCLASSIFIED

W 33572

and the enumerated activities to be funded contained a mix of activities both currently permissible as well as those that are prohibited.²⁸ Therefore, the defeat of the legislative initiative does not prohibit training as it does not change laws currently in effect.

CONCLUSION: The provision of generic military training is not precluded by current law so long as it is conducted outside of Nicaragua without being directly linked to the planning and execution of military or paramilitary operations in Nicaragua.

This memorandum does not address the issue of whether this activity is required to be reported under the provisions of the Hughes-Ryan Act. However, legal obligations aside, the history of the Central America program has demonstrated that it would be politically prudent to inform the appropriate congressional committees of this anticipated intelligence activity.

If training is to be provided there are several ways this could be accomplished. [REDACTED]

[REDACTED] In either case, it is legal under current law to provide this kind of basic training. It should be acknowledged that legislation currently being considered by Congress might change the law in this area. However, should the current law not be affected by pending legislation, the analysis in this memorandum would stand and the provision of basic military training would remain a legally permissible activity.

²⁸ For example, air defense equipment was to be provided during the first ninety days after passage of the legislation and it is currently prohibited. However, the funds made available through the act could also be used to promote activities that are currently legal as well, such as measures to support "democratic political and diplomatic activities" and military training. Therefore, the fact that the House of Representatives did not approve this measure does not mean that these latter activities are no longer legal, rather that the subsequent funding measure is defeated in toto.

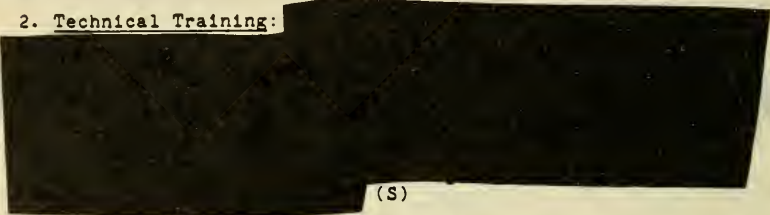
UNCLASSIFIED

UNCLASSIFIED

N 38,73

CLASSIFIED ANNEX

1. Infrastructure Expenditures: The Classified Annex to the Intelligence Authorization Act for Fiscal Year 1986 states that amounts authorized in Section 101 for CIA infrastructure may be expended for the provision of advice and information for the PDN. In light of the definite of "advice" contained in the attached memorandum, funds for the CIA infrastructure could be used to provide generic military training to the PDN. Whether there are sufficient funds committed for infrastructure in the current budget to accomplish a complete training program, or only enough to complete certain designated technical training programs is uncertain. Pending passage of the President's proposal, the latter may be all that can be accomplished. (TS)

2. Technical Training: 

(S)

ICB TS Control No. 494
 Copy No. 1

TS-860804

UNCLASSIFIED

Classified by: Multi Sources
 Declassify on: OADR

TOP SECRET
UNCLASSIFIED

Chapter 26
F 10#108

C 0922

OGC-85-53751
19 December 1985

NOTE FOR: Director of Central Intelligence
Deputy Director of Central Intelligence
Executive Director

FROM: Stanley Sporkin
General Counsel

SUBJECT: Nicaragua Finding

1. With respect to Danny Child's concern, I believe that section 105 and its history clearly support the provision of intelligence and advice to the Nicaraguan democratic resistance, including advice on general matters, such as effective delivery and distribution of materiel (i.e., not merely materiel, but military equipment), so long as this does not include participation in the planning or conduct of military/paramilitary activities, including logistical operations integral to those activities in Nicaragua by the resistance. Thus, while advice on logistical matters not "integral" to military operations would be acceptable, there is a fine line to be drawn and greater cause for concern the closer the CIA role approaches the provision of advice that supports specific military operations.

2. While we can legally defend our authority to carry out the activities called for in this Finding and [REDACTED], I think this is something that will have to be worked out with the Committees in order to maintain a consensus on the program and avoid the kinds of charges we faced under the original Boland amendment.

Partially Declassified/Released on 20 June 1987
under provisions of E.O. 12356
by B. Reger, National Security Council

Stanley Sporkin

UNCLASSIFIED

TS 856850520
Copy 1 of 2
SERIES B - COPY 12 OF 13 CYS
CL. BY - 675623
DECL. OADR
DERIVED FROM TS 858401

TOP SECRET

1193

REVIEWED FOR RELEASE
Date 24 March 87
HSC + SSC

0110788

UNCLASSIFIED
United States Senate

Executive Registry
85- 3919/4

SELECT COMMITTEE ON INTELLIGENCE
WASHINGTON, DC 20540

85-4118

December 5, 1985 C 0924

Lee H. Hamilton, Chairman
U.S. House of Representatives
Permanent Select Committee on
Intelligence
Washington, D.C. 20515

Dear Lee:

Thanks for sending me a copy of your letter to the DCI of December 4, 1985, concerning the conference agreement on Section 105 of the FY 1986 Intelligence Authorization Act.

I really do not think we have a problem with respect to interpretation of the permissible bounds of intelligence advice to the Nicaraguan democratic resistance. I certainly would agree with you that advice on logistics activities integral to the effectiveness of particular military or paramilitary operations is precluded if it would "amount to" participation in such activities, even if there is no physical participation. At the same time, I'm sure you would agree that the conferees did not mean to place the entire subject of logistics off limits. We certainly would, for example, want to encourage advice on logistics related to the effective distribution of humanitarian and communications assistance.

Thus, it seems to me that the crucial distinction is not between the oral and the physical, but rather between general logistical advice (or logistical advice related to humanitarian or communication assistance) and advice that amounts to participation in logistics activities integral to military or paramilitary operations. The latter is what we clearly meant to prohibit and what our oversight must prevent.

Sincerely,

Chairman

Handwritten notes: 11/25/85, under provision, by B. [unclear]

cc: Senator Leahy
William J. Casey ✓

REVIEWED FOR RELEASE
DATE 84 March 87
HSC + SSC

(110) 790

UNCLASSIFIED

UNCLASSIFIED

U.S. HOUSE OF REPRESENTATIVES

PERMANENT SELECT COMMITTEE ON INTELLIGENCE

WASHINGTON, DC 20516

December 9, 1985

FORM NO. 10, U.S. GOVERNMENT PRINTING OFFICE: 1979-1211

Executive Registry
85- 3919/5

C 0925

Louis

HONORABLE CLARENCE B. BOYD
 HONORABLE JAMES H. BRADY
 HONORABLE JAMES C. BOYCE
 HONORABLE JAMES H. BUCHANAN
 HONORABLE JAMES H. COOPER
 HONORABLE JAMES H. GIBSON
 HONORABLE JAMES H. HANCOCK
 HONORABLE JAMES H. LEAHY
 HONORABLE JAMES H. MCGHEE
 HONORABLE JAMES H. MOHR
 HONORABLE JAMES H. O'CONNOR
 HONORABLE JAMES H. QUINN
 HONORABLE JAMES H. RYAN
 HONORABLE JAMES H. SPECTER
 HONORABLE JAMES H. STUBBS
 HONORABLE JAMES H. TOLSON
 HONORABLE JAMES H. WADSWORTH
 HONORABLE JAMES H. WELLS
 HONORABLE JAMES H. WILSON
 HONORABLE JAMES H. WYLLIE
 HONORABLE JAMES H. YOUNG
 HONORABLE JAMES H. ZETSER

Honorable Dave Durenberger
 Chairman
 Senate Select Committee on Intelligence
 Washington, D.C. 20510

Dear Dave:

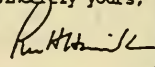
Thanks for your letter of December 5 concerning logistical advice to the contras.

I do agree with you that the Conference on the FY 1986 Intelligence Authorization Act did not put the entire subject of logistics off limits. However, we did constrain CIA activities in significant ways. Further, the Supplemental Appropriations Act for FY 1985 also constrains the CIA. The Agency is not to participate in any way in the distribution of humanitarian assistance. The Agency may only provide advice and support to other U.S. government agencies responsible for the distribution of the assistance. Thus, the Act makes clear direct CIA logistical advice on the effective distribution of humanitarian assistance is not appropriate. The Conference Report does not amend the Supplemental Appropriations Act.

The other problem, as I see it, is that logistical advice on how to distribute food inside Nicaragua is as useful for the distribution of ammunition as it is for food. Both items are essential for the conduct of military and paramilitary operations in Nicaragua. Thus, advice in this area can well be seen as military advice to the contras. It would ill serve the Agency to become embroiled in controversy at this juncture regarding a matter about which Congress has expressed such repeated reservations.

With best wishes, I am

Sincerely yours,


 Lee H. Hamilton
 Chairman

A

cc Hon Patrick J. Leahy
 Vice Chairman
 Senate Select Committee on Intelligence

Hon William J. Casey
 Director of Central Intelligence

REVIEWED FOR RELEASE

Date 24 March 87
 HSC + SSC

1/5/85

2110 791

UNCLASSIFIED

CHAPTER 27. RULE OF LAW

THE DOCUMENTS CITED IN THESE FOOTNOTES ARE
AVAILABLE FROM PUBLIC SOURCES.

CHAPTER 28. RECOMMENDATIONS

THIS CHAPTER DOES NOT CONTAIN FOOTNOTES.

MINORITY REPORT

CHAPTER 1. INTRODUCTION

THE DOCUMENTS CITED IN THESE FOOTNOTES ARE
AVAILABLE FROM PUBLIC SOURCES.

CHAPTER 2. THE FOREIGN AFFAIRS POWERS
AND THE FRAMERS' INTENTIONS

THE DOCUMENTS CITED IN THESE FOOTNOTES ARE
AVAILABLE FROM PUBLIC SOURCES.

CHAPTER 3. THE PRESIDENT'S FOREIGN POLICY POWERS
IN EARLY CONSTITUTIONAL HISTORY

THE DOCUMENTS CITED IN THESE FOOTNOTES ARE
AVAILABLE FROM PUBLIC SOURCES.

CHAPTER 4. CONSTITUTIONAL PRINCIPLES IN COURT

THE DOCUMENTS CITED IN THESE FOOTNOTES ARE
AVAILABLE FROM PUBLIC SOURCES.

CHAPTER 5. NICARAGUA: THE CONTEXT

THE CHALLENGE TO DEMOCRACY IN CENTRAL AMERICA



RELEASED by the DEPARTMENT of STATE and DEPARTMENT of DEFENSE
JUNE 1986
WASHINGTON, D.C.



Militarization of the Central American region has been caused by the Sandinista military buildup. The Sandinistas had created the largest armed forces in Central America only 18 months after coming into power, and more than a year before the armed democratic resistance became a significant factor.

regime commenced. This intense buildup, resulting from Soviet-bloc assistance, started while the United States was giving the Sandinistas millions of dollars in economic aid.

That the Sandinistas did not consider themselves threatened by armed opposition was inadvertently revealed by no less an authority than Carlos Tunnermann, Managua's Ambassador to the United States. Writing in the 30 March 1985 *Washington Post*, Tunnermann attempted to blame the United States for all of Nicaragua's woes. He wrote that prior to November 1981, the date he claims that the United States decided to assist the Nicaraguan armed resistance, "there were only a few hundred ex-GN [Somoza's National Guard] soldiers staging sporadic raids on farms along the border. Their principal occupations were cattle-rustling and extortion."¹⁴ In short, the Sandinistas perceived no military threat. But by November 1981, the response to these few hundred "cattle rustlers" included a Sandinista army of almost 40,000, and Soviet-made tanks, artillery, and armored personnel carriers.

The Sandinista armed forces are organized along Cuban lines, just as Castro's military follows the organizational structure of the Soviet Union. To facilitate this design of an "Eastern European" military, there are more than 3,000 Cuban, and more than 100 Soviet and East European, military and security advisers in Nicaragua. The Sandinista armored force today totals about 350 tanks and armored vehicles (Somoza had 28). The rest of the Central American countries' combined armored force totals about 200, and the few tanks in this total have considerably less fire power than the Soviet-made T-55 tanks, the backbone of the Sandinista arsenal. Soviet-made armored personnel carriers could provide the Sandinista infantry a mobility unmatched in the region. The Sandinistas also can boast of Soviet-made artillery with a range greater than the artillery in some U.S. Army divisions.

Many supporters of the Sandinistas minimize the importance of the tanks the Soviets have provided to their newest clients. They claim the tanks are useless in "the mountains and jungles" of Central America. These



5-5



The Sandinista Military Build-Up: An Update



Released by the Department of State and the Department of Defense
October 1987

The remainder of Somoza's armor consisted of 25 antiquated Staghound armored cars.

The Sandinistas began building an armored force of unrivaled size and firepower in Central America. Crews and mechanics for tanks and other vehicles were sent to Cuba for training. Facilities to support the forthcoming arsenal were built.

The first Soviet-built T-55 tanks arrived in mid-1981. The T-55, weighing 36 metric tons and armed with a 100-millimeter gun, can outgun any tank in the region. Formerly the Soviets' main battle tank, it still is being used by Warsaw Pact armies. The Sandinistas used the T-55s to form their first armored battalion, based just outside Managua. By 1982, the Sandinistas had obtained a sufficient number of T-55s to organize a second armored battalion. By the end of 1984, they had acquired more than 110 T-55 tanks, enough to form 5 armored battalions.

In 1984, the Soviets provided the Nicaraguans with about 30 PT-76 light tanks. This amphibious tank, armed with a 76-millimeter gun, fords rivers easily and can maneuver in some of the difficult terrain found in parts of Nicaragua.

The Soviets, through their allies, also have equipped the Sandinista army with more than 250 armored vehicles, mostly BTR-60 and BTR-152 armored personnel carriers. These vehicles are armed with a machinegun and can carry a squad of infantry. The first BTR-60s began arriving in mid-1981. The EPS also has received Soviet-made command vehicles and BRDM-2 amphibious armored reconnaissance vehicles. The Sandinistas now have formed two mechanized infantry brigades.

The terrain in certain parts of Nicaragua is well suited to armored operations, although in other parts of the country the terrain imposes con-



Nicaragua has a higher percentage of its population on active military duty than any other country in Latin America, except Cuba.



Somoza had 25 antiquated armored cars; the Sandinistas now have over 250. The BRDM-2 (left) is fully amphibious and armed with a machinegun. The BTR-152 (right) carries up to 17 infantry troops, and the BTR-60 (below) can transport a squad of infantry.



craft, that is, the need for lengthy pilot training and the construction of airfields, the FAS grew slowly in its early years. The first fixed-wing aircraft added to the inventory were older and unsophisticated models, such as Soviet-made AN-2s. In 1982, they acquired four Italian-made SF-260 trainer tactical support aircraft from Libya. Six Soviet-made AN-26 medium transports have significantly improved the Sandinistas' logistics support capabilities.

The Sandinistas' helicopter inventory has grown more rapidly. The great majority of these craft have been obtained from the Soviets and their allies. In 1981, the first two Soviet Mi-8/17 HIP medium-lift helicopters arrived. The following April, the Soviets formally donated the HIPs to the Sandinistas, explaining that they were to be used to help develop the Atlantic Coast region of Nicaragua. In fact, the HIP is one of the Soviet Union's front-line combat helicopters and can be armed with machinegun and rocket pods. The Sandinistas have received more than 40 HIPs and have used them extensively in military operations. The Sandinistas also have acquired Polish-built Mi-2/HOPLITE utility/cargo helicopters.

In late 1984, the Sandinistas received the first of a new generation of helicopter gunships, the Mi-24/HIND D. This is the Soviets' principal attack helicopter, and it has been used extensively by the Soviets against resistance forces in Afghanistan. One of the most highly sophisticated attack helicopters in the world, it holds the world military helicopter speed record and can be armed with a multiple-barrel machinegun, guided missiles, rocket pods, and bombs.

The HIND's heavy armor, coupled with its high speed, greatly reduces its vulnerability to small arms fire.⁹ Acquisition of the HIND D adds a new



In 1983, the Sandinistas acquired their first two Soviet-built AN-26 transports. They now have six.

dimension to warfare in Central America. Key targets in Honduras, Costa Rica, and El Salvador are all within the reach of this flying "tank." Some 12 Mi-24s have been delivered to Nicaragua and have been used against internal resistance forces.

Top FSLN leaders have repeatedly proclaimed their desire to acquire high-performance jet fighters. Nicaraguan pilots and mechanics reportedly have

been undergoing training in Cuba and eastern Europe since the early 1980s. In 1982, with Cuban assistance, the Sandinistas began constructing the Punta Huete airfield in an isolated area northeast of Managua. The principal runway at Punta Huete is 10,000 feet in length, making it the longest military runway in Central America. It can accommodate any aircraft in the Soviet-bloc inventory. Sixteen revet-

The Mi-8/17 HIP is one of the Soviets' principal combat helicopters. It can be armed with a machinegun, rocket pods, and antitank missiles. Some HIPs also serve as transports for Sandinista troops and their equipment. The Sandinistas have received more than 40 HIPs.



CHAPTER 6. THE BOLAND AMENDMENTS

THE DOCUMENTS CITED IN THESE FOOTNOTES ARE
AVAILABLE FROM PUBLIC SOURCES.

CHAPTER 7. WHO DID WHAT TO HELP THE DEMOCRATIC RESISTANCE

THE DOCUMENTS CITED IN THESE FOOTNOTES ARE
AVAILABLE FROM PUBLIC SOURCES.

CHAPTER 8. THE IRAN INITIATIVE

8-29

PRINCETON UNIVERSITY
WOODROW WILSON SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS
29 SEPTEMBER 1987

CIA AND THE MAKING OF AMERICAN FOREIGN POLICY
BY ROBERT M. GATES
DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

INTRODUCTION

OVER THE YEARS, PUBLIC VIEWS OF CIA AND ITS ROLE IN AMERICAN FOREIGN POLICY HAVE BEEN SHAPED PRIMARILY BY MOVIES, TELEVISION, NOVELS, NEWSPAPERS, BOOKS BY JOURNALISTS, HEADLINES GROWING OUT OF CONGRESSIONAL INQUIRIES, EXPOSES BY FORMER INTELLIGENCE OFFICERS, AND ESSAYS BY EXPERTS WHO HAVE NEVER SERVED IN AMERICAN INTELLIGENCE AND BY SOME WHO HAVE SERVED AND STILL NEVER UNDERSTOOD OUR ROLE. WE ARE SAID TO BE AN INVISIBLE GOVERNMENT AND YET ARE THE MOST VISIBLE, MOST EXTERNALLY SCRUTINIZED AND MOST PUBLICIZED INTELLIGENCE SERVICE IN THE WORLD. WHILE WE SOMETIMES ARE ABLE TO REFUTE PUBLICLY ALLEGATIONS AND CRITICISM AGAINST US, USUALLY WE MUST REMAIN SILENT. THE RESULT IS A CONTRADICTORY MELANGE OF IMAGES OF CIA AND VERY LITTLE UNDERSTANDING OF OUR REAL ROLE IN AMERICAN GOVERNMENT.

TONIGHT, I WOULD LIKE TO TRY TO ILLUMINATE, AND I HOPE EXPAND, YOUR UNDERSTANDING OF CIA'S ROLE IN THE MAKING OF AMERICAN FOREIGN POLICY.

THIS ROLE TAKES THREE BROAD FORMS:

- FIRST, CIA IS RESPONSIBLE FOR THE COLLECTION, ANALYSIS AND DISTRIBUTION OF INTELLIGENCE INFORMATION TO POLICYMAKERS, PRINCIPALLY THE PRESIDENT, THE NATIONAL SECURITY COUNCIL AND THE DEPARTMENTS OF STATE AND DEFENSE -- ALTHOUGH IN RECENT YEARS MANY OTHER DEPARTMENTS AND AGENCIES HAVE BECOME MAJOR USERS OF INTELLIGENCE. THIS IS A WELL KNOWN AREA, AND I WILL SPEAK OF IT ONLY SUMMARILY.

- SECOND, CIA IS CHARGED WITH THE CONDUCT OF COVERT ACTION, THE ONE AREA WHERE WE IMPLEMENT POLICY. THIS IS A SUBJECT SO COMPLEX AND SO CONTROVERSIAL AS TO REQUIRE SEPARATE TREATMENT AT ANOTHER TIME, ANOTHER PLACE.

- THIRD, AND MOST SIGNIFICANT, CIA'S ROLE IS PLAYED OUT IN THE INTERACTION, PRIMARILY IN WASHINGTON, BETWEEN CIA AND THE POLICY COMMUNITY. IT IS IN THE DYNAMICS OF THIS RELATIONSHIP THAT THE INFLUENCE AND ROLE OF CIA ARE DETERMINED -- WHETHER CIA'S ASSESSMENTS ARE HEEDED OR NOT, WHETHER CIA'S INFORMATION IS RELEVANT AND TIMELY ENOUGH TO BE USEFUL, AND WHETHER CIA'S RELATIONSHIP WITH POLICYMAKERS FROM ISSUE TO ISSUE AND

PROBLEM TO PROBLEM, IS SUPPORTIVE OR ADVERSARIAL. IT IS THIS DYNAMIC INTERACTION OF INTELLIGENCE AND POLICY THAT IS THE LEAST WELL UNDERSTOOD AND IT IS THIS AREA THAT I WILL FOCUS ON TONIGHT.

THE DIRECTOR OF CENTRAL INTELLIGENCE, THE DCI, SERVES BOTH AS DIRECTOR OF CIA AND HEAD OF THE UNITED STATES INTELLIGENCE COMMUNITY, WHICH ENCOMPASSES CIA; THE DEFENSE INTELLIGENCE AGENCY; THE NATIONAL SECURITY AGENCY; THE INTELLIGENCE COMPONENTS OF THE DEPARTMENTS OF STATE, TREASURY, ENERGY, AND THE FOUR MILITARY SERVICES; AND THE FBI. OF THESE, ONLY CIA IS COMPLETELY INDEPENDENT OF ANY POLICY DEPARTMENT OR AGENCY AND ACCEPTS REQUESTS FOR INTELLIGENCE SUPPORT FROM THROUGHOUT THE EXECUTIVE BRANCH. IT IS THE DCI AND CIA THAT SERVE AS THE PRINCIPAL CONDUITS OF INTELLIGENCE TO THE PRESIDENT AND NATIONAL SECURITY COUNCIL PRINCIPALS:

WHAT THEN, DOES CIA DO? BECAUSE OF THE MEDIA'S FOCUS ON COVERT ACTION, I WOULD LIKE TO SAY FIRST OF ALL THAT OVER 95 PERCENT OF THE NATIONAL INTELLIGENCE BUDGET IS DEVOTED TO THE COLLECTION AND ANALYSIS OF INFORMATION. ABOUT THREE PERCENT OF CIA'S PEOPLE ARE INVOLVED IN COVERT ACTION.

COLLECTION AND ANALYSIS

NOW, IF WE ARE NOT SPENDING MOST OF OUR TIME AND MONEY ATTEMPTING TO OVERTHROW GOVERNMENTS, WHAT EXACTLY DOES CIA DO? AS JOHN RANELAGH SAYS IN HIS HISTORY OF CIA, "TO THE PRESENT THE CIA IS AN ECHO OF ITS FOUNDERS. ITS JOB IS NOT TO FIND ENEMIES BUT TO DEFINE THEM. ITS THEME IS THE SUBSTITUTION OF INTELLIGENCE FOR FORCE." CIA DEVOTES THE OVERWHELMING PREPONDERANCE OF ITS RESOURCES TO MONITORING AND REPORTING ON DAY TO DAY DEVELOPMENTS AROUND THE WORLD, AND DETERMINING AND RESPONDING TO POLICYMAKERS' LONGER RANGE REQUIREMENTS FOR INFORMATION AND ANALYSIS.

WHAT IS INTELLIGENCE INFORMATION AND HOW IS IT USED BY THE POLICYMAKER? OUR INFORMATION COMES FROM SATELLITES; NEWSPAPERS, PERIODICALS, RADIO, AND TELEVISION WORLDWIDE; DIPLOMATS AND MILITARY ATTACHES OVERSEAS; AND, OF COURSE, FROM SECRET AGENTS. THAT INFORMATION FLOWS TO WASHINGTON WHERE ANALYSTS, WITH BACKGROUNDS IN SCORES OF DISCIPLINES, SIFT THROUGH IT, EXAMINE IT, COLLATE IT, AND TRY TO MAKE SENSE OF THE BILLIONS OF BITS AND PIECES THAT COME TO US ON ISSUES AND DEVELOPMENTS WORLD-WIDE OF INTEREST TO THE UNITED STATES. WE THEN REPORT OUR FINDINGS TO POLICY OFFICIALS AND TO THE MILITARY.

WHAT CLEARLY DISTINGUISHES INFORMATION SUITABLE FOR INTELLIGENCE EXPLOITATION IS ITS RELEVANCE TO US POLICY AND US INTERESTS. IT IS THE COMPREHENSIVENESS OF OUR COLLECTION AND ANALYSIS, THEIR FOCUS ON THE NATIONAL SECURITY INTERESTS OF THE UNITED STATES, AND THE ADVANTAGE OF UNIQUE OR PRIOR KNOWLEDGE, THAT MAKE INTELLIGENCE VALUABLE TO THE POLICYMAKER. OFTEN, WE MAKE A CONTRIBUTION SIMPLY THROUGH OUR ABILITY TO ORGANIZE THE FACTS IN A CLEAR AND CONCISE WAY, BY PROVIDING THE SAME FACTS TO DIFFERENT ORGANIZATIONS, AND BY IDENTIFYING THE IMPORTANT QUESTIONS -- AND BY TRYING TO ANSWER THEM.

THIS INFORMATION FINDS ITS WAY TO THE POLICYMAKER IN SEVERAL WAYS:

- -- FIRST, INTELLIGENCE ON DAY TO DAY EVENTS AND DEVELOPMENTS AROUND THE WORLD IS PROVIDED TO SENIOR OFFICIALS DAILY OR EVEN SEVERAL TIMES A DAY.

- SECOND, THE CIA CONTRIBUTES ANALYSIS TO POLICY PAPERS DESCRIBING BOTH EVENTS AT HAND AND POTENTIAL OPPORTUNITIES OR PROBLEMS FOR THE UNITED STATES. NEARLY ALL NSC AND SUB-CABINET MEETINGS BEGIN WITH AN INTELLIGENCE BRIEFING.

- THIRD, NATIONAL INTELLIGENCE ESTIMATES CAN PLAY AN IMPORTANT ROLE IN THE MAKING OF POLICY. THESE ESTIMATES ARE THE MOST FORMAL EXPRESSION OF THE INTELLIGENCE COMMUNITY'S VIEWS. ALL OF THE INTELLIGENCE AGENCIES OF THE GOVERNMENT BOTH CONTRIBUTE TO AND COORDINATE ON WHAT IS SAID IN THESE ESTIMATES.

- FOURTH, POLICYMAKERS RECEIVE SPECIALIZED ASSESSMENTS BY INDIVIDUAL AGENCIES. CIA'S ASSESSMENTS OR RESEARCH PROGRAM IS THE PRODUCT OF THE LARGEST INTELLIGENCE COLLECTION AND ANALYSIS ORGANIZATION IN THE WORLD. THE RANGE OF ISSUES IS BREATHTAKING -- FROM STRATEGIC WEAPONS TO FOOD SUPPLIES; EPIDEMIOLOGY TO SPACE; WATER AND CLIMATE TO THIRD WORLD POLITICAL INSTABILITY; MINERAL AND ENERGY RESOURCES TO INTERNATIONAL FINANCE; SOVIET LASER WEAPONS TO REMOTE TRIBAL DEMOGRAPHICS; CHEMICAL AND BIOLOGICAL WEAPONS PROLIFERATION TO COMMODITY SUPPLIES; AND MANY, MANY MORE.

CIA-POLICY RELATIONSHIPS

SO FAR, SO GOOD. WHAT I HAVE JUST REVIEWED IS A TEXTBOOK DESCRIPTION OF THE ROLE OF INTELLIGENCE. IT IS NEAT, UNAMBIGUOUS, CLINICAL, NON-CONTROVERSIAL, EVEN COMMENDABLE -- AND HIGHLY MISLEADING. WHAT ABOUT USERS WHO LOOK NOT FOR DATA OR UNDERSTANDING, BUT FOR SUPPORT FOR DECISIONS ALREADY MADE; OR THOSE WHO SELECTIVELY USE OR MISSTATE INTELLIGENCE TO INFLUENCE PUBLIC DEBATE OVER POLICY; OR USERS WHO LABEL INTELLIGENCE THEY DISLIKE AS TOO SOFT, TOO HARD OR COOKED; OR INTELLIGENCE OFFICERS WITH THEIR OWN AGENDAS OR BIASES; OR THE IMPLICATIONS FOR INTELLIGENCE AND POLICY OF A CIA DIRECTOR HELD AT TOO GREAT A DISTANCE FROM THE PRESIDENT OR ONE WHO IS HELD TOO CLOSE; OR THE FRUSTRATIONS OF CONSTANTLY CHANGING EVALUATIONS, OR ANALYSIS THAT IS JUST PLAIN WRONG; OR THE USE OF INTELLIGENCE AS A POLITICAL FOOTBALL BETWEEN GOVERNMENT DEPARTMENTS OR BETWEEN THE EXECUTIVE AND LEGISLATIVE BRANCHES? THE ATTITUDES AND BEHAVIOR OF OFFICIALS IN CIA AND POLICY AGENCIES THAT LIE BEHIND THESE AND MANY SIMILAR ISSUES AND THE INTERACTION AMONG THEM COMPRISE THE DYNAMIC OF THE RELATIONSHIP -- WHAT PROFESSOR YEHOSEFAT HARKABI OF HEBREW UNIVERSITY OF JERUSALEM DESCRIBES AS "THE INTELLIGENCE-POLICYMAKER TANGLE."

IN 1949, SHERMAN KENT, IN HIS BOOK STRATEGIC INTELLIGENCE FOR AMERICAN WORLD POLICY, SAID "THERE IS NO PHASE OF THE INTELLIGENCE BUSINESS WHICH IS MORE IMPORTANT THAN THE PROPER RELATIONSHIP BETWEEN INTELLIGENCE ITSELF AND THE PEOPLE WHO USE ITS PRODUCT. ODDLY ENOUGH, THIS RELATIONSHIP, WHICH ONE WOULD EXPECT TO ESTABLISH ITSELF AUTOMATICALLY, DOES NOT DO THIS."

THE FACT IS THAT, OVER THE YEARS, THE POLICYMAKER AND THE INTELLIGENCE OFFICER HAVE CONSISTENTLY -- AND WITH FRIGHTENINGLY FEW EXCEPTIONS -- COME TOGETHER HUGELY IGNORANT OF THE REALITIES AND COMPLEXITIES OF EACH OTHER'S WORLD -- PROCESS, TECHNIQUE, FORM AND CULTURE. CIA OFFICERS CAN TELL YOU IN EXCRUCIATING DETAIL HOW FOREIGN POLICY IS MADE IN EVERY COUNTRY IN THE WORLD SAVE ONE -- THE UNITED STATES. BY THE SAME TOKEN, AS SUGGESTED BY PROFESSOR HARKABI, THE UNHAPPINESS OF INTELLIGENCE PEOPLE SWELLS "WHEN THEY COMPARE THE SOPHISTICATION AND ADVANCED METHODS EMPLOYED IN COLLECTION OF THE INFORMATION AND THE PRODUCTION OF INTELLIGENCE AGAINST THE CAVALIER FASHION OR IMPROVISATION WITH WHICH POLICY DECISIONS ARE MANY A TIME REACHED."

BOOKSHELVES GROAN UNDER THE LITERATURE OF PROPOSED RULES OF ENGAGEMENT WHEN THESE TWO WORLDS COLLIDE. IN 1956, FOR EXAMPLE, ROGER HILSMAN WROTE THAT INTELLIGENCE PRODUCERS MUST "ORIENT THEMSELVES FRANKLY AND CONSCIOUSLY TOWARD POLICY AND ACTION ... ADAPTING TOOLS EXPRESSLY TO THE NEEDS OF POLICY."

OTHERS, AS DESCRIBED IN ONE INTELLIGENCE MONOGRAPH, ARGUED THAT "THE INTELLIGENCE PRODUCER SHOULD INITIATE NO DIRECT INTERACTION WITH HIS CONSUMERS, BUT RATHER SHOULD RESPOND TO REQUESTS FOR DATA AND ANALYSIS."

SHERMAN KENT OF YALE AND THEN OF CIA WAS PERHAPS THE FIRST OF THE EARLY INTELLIGENCE COMMENTATORS TO SEE THE NEED FOR A DIFFERENT, MORE DIRECT AND INTENSIVE INTERACTION BETWEEN POLICYMAKER AND INTELLIGENCE OFFICER. WARNING THAT PROTECTING THE OBJECTIVITY OF THE INTELLIGENCE ANALYST COULD BE LIKENED TO PILING ARMOR ON A MEDIEVAL KNIGHT UNTIL HE WAS ABSOLUTELY SAFE BUT COMPLETELY USELESS, KENT CONCLUDED THAT THE GREATER DANGER TO AN EFFECTIVE ROLE WAS IN BEING TOO DISTANT. EVEN SO, HE FORESAW A TROUBLED RELATIONSHIP -- THAT INTELLIGENCE OFFICERS' SKEPTICISM OF POLICYMAKERS' OBJECTIVITY -- AND THE LATTER'S CONSEQUENT RESENTMENT --- WOULD STULTIFY A FREE GIVE AND TAKE BETWEEN THEM; THAT POLICYMAKERS WOULD SEE THE VERY FACT OF CIA ASSESSMENTS AS AN INSULT TO THEIR OWN INTELLECTUAL CAPABILITIES; THAT SECURITY CONCERNS BY EACH PARTY WOULD ENCOURAGE WARINESS AND RETICENCE. AND, IN TRUTH, THESE AND OTHER DIFFICULTIES STILL LARGELY SHAPE CIA'S ROLE IN FOREIGN POLICY PROCESS.

LET ME ELABORATE ON THESE DIFFICULTIES -- ON THE REALITY OF A ROUGH AND TUMBLE WORLD -- BASED ON PERSONAL EXPERIENCE IN BOTH WORLDS AT DIFFERENT TIMES UNDER FIVE PRESIDENTS.

THE INSTITUTIONAL AUTONOMY OF THE AMERICAN INTELLIGENCE SERVICE -- OF CIA -- IS UNIQUE IN THE WORLD. WHILE THIS CONFERS CERTAIN ADVANTAGES, ABOVE ALL INDEPENDENCE, SUCH AUTONOMY ALSO IMBUES THE CIA-POLICY COMMUNITY RELATIONSHIP WITH A SIGNIFICANT ADVERSARIAL AS WELL AS SUPPORTIVE CONTENT. AND, THE POLICYMAKER HAS A LONG LIST OF GRIEVANCES, MANY LEGITIMATE, SOME NOT.

-- POLICYMAKERS LEGITIMATELY WANT INTELLIGENCE INFORMATION THAT WILL INFORM AND GUIDE THEIR TACTICAL DAY TO DAY DECISIONMAKING. IN SOME AREAS, WE CAN AND DO MEET THEIR NEEDS. FOR EXAMPLE, IN 1980, THANKS TO A VERY BRAVE MAN, WE WERE ABLE TO PROVIDE POLICYMAKERS WITH KNOWLEDGE OF THE STEP BY STEP PREPARATIONS FOR THE IMPOSITION OF MARTIAL LAW IN POLAND. IN EARLY 1986, WE WERE ABLE TO DOCUMENT IN EXTRAORDINARY DETAIL ELECTORAL CHEATING IN THE PHILIPPINES. THERE ARE EVEN SOME AREAS WHERE OUR INTELLIGENCE IS SO GOOD THAT IT REDUCES POLICYMAKERS FLEXIBILITY AND ROOM FOR MANEUVER. YET, I WOULD HAVE TO ACKNOWLEDGE THAT THERE ARE COUNTRIES AND ISSUES IMPORTANT TO THE UNITED STATES WHERE SUCH TACTICAL INTELLIGENCE -- MOST OFTEN POLITICAL INTELLIGENCE -- IS SORELY DEFICIENT AND POLICYMAKER COMPLAINTS ARE JUSTIFIED. OUR CAPABILITIES ARE MUCH IMPROVED IN RECENT YEARS, BUT STILL UNEVEN. AND NO

MATTER HOW GOOD WE ARE, THERE WILL STILL BE SURPRISES OR GAPS.

-- IT WILL NOT SURPRISE YOU THAT VERY FEW POLICYMAKERS WELCOME CIA INFORMATION WHICH DIRECTLY OR BY INFERENCE CHALLENGES THE SUCCESS OR ADEQUACY OF THEIR POLICIES OR THE ACCURACY OF THEIR PRONOUNCEMENTS. INDEED, DURING THE VIETNAM WAR, A CONSTANT REFRAIN FROM POLICYMAKERS WAS, "AREN'T YOU GUYS ON THE TEAM?" YET, I CONCEDE THAT ON MORE THAN A FEW OCCASIONS, POLICYMAKERS HAVE ANALYZED OR FORECAST DEVELOPMENTS BETTER THAN WE. AND, TRUTH BE KNOWN, ANALYSTS HAVE SOMETIMES GONE OVERBOARD TO PROVE A POLICYMAKER WRONG. WHEN SECRETARY OF STATE HAIG ASSERTED THAT THE SOVIETS WERE BEHIND INTERNATIONAL TERRORISM, ANALYSTS INITIALLY SET OUT NOT TO ADDRESS THE ISSUE IN ALL ITS ASPECTS BUT RATHER TO PROVE THE SECRETARY WRONG -- TO PROVE SIMPLY THAT THE SOVIETS DO NOT ORCHESTRATE ALL INTERNATIONAL TERRORISM. BUT IN SO DOING, THEY WENT TOO FAR THEMSELVES AND FAILED IN EARLY DRAFTS TO DESCRIBE EXTENSIVE AND WELL-DOCUMENTED INDIRECT SOVIET SUPPORT FOR TERRORIST GROUPS AND THEIR SPONSORS. FAR FROM KOW-TOWING TO THE POLICYMAKER, THERE IS SOMETIMES A STRONG IMPULSE ON THE PART OF INTELLIGENCE OFFICERS TO SHOW THAT A POLICY OR DECISION IS MISGUIDED OR WRONG, TO POKE AN ANALYTICAL FINGER IN THE POLICY EYE.

POLICYMAKERS KNOW THIS AND UNDERSTANDABLY RESENT IT. TO PROTECT THE INDEPENDENCE OF THE ANALYST WHILE KEEPING SUCH IMPULSES IN CHECK IS ONE OF THE TOUGHEST JOBS OF INTELLIGENCE MANAGERS.

-- IN THIS CONNECTION, THE POLICYMAKER SOMETIMES HAS THE SENSE THAT CIA IS ATTEMPTING, AT LEAST BY INFERENCE, TO "GRADE" HIS PERFORMANCE. FURTHER, THE POLICYMAKER IS OFTEN SUSPICIOUS THAT WHEN CIA'S ANALYSIS SUGGESTS POLICY IS FAILING OR IN DIFFICULTY, THESE CONCLUSIONS ARE, WITH MALICE, WIDELY CIRCULATED BY THE AGENCY FOR USE AS AMMUNITION BY CRITICS OF THE POLICY INSIDE THE EXECUTIVE BRANCH, WITH CONGRESS OR WITH THE PUBLIC.

-- OFTEN POLICYMAKERS, FACING A SITUATION OF EXTREME DELICACY WITH ANOTHER COUNTRY, ESPECIALLY WHERE US LAW OR POLITICAL SENSITIVITIES MAY BE INVOLVED, WILL CAUTION US AS WE WRITE OR BRIEF: "NOW, YOU HAVE TO BE CAREFUL WHAT YOU SAY ABOUT THIS -- LET'S WORK IT OUT TOGETHER BEFOREHAND." AND, WHILE PROTECTING OUR INDEPENDENCE, WE DO TRY TO BE CAREFUL AND WE DO TRY TO TAKE THEIR CONCERNS INTO ACCOUNT -- BUT THAT IS LITTLE SOLACE TO A POLICYMAKER WHO IS AT THE POLITICAL MERCY OF ANY CIA BRIEFER WHO GOES TO CAPITOL HILL.

-- MANY POLICYMAKERS BELIEVE CIA ALLOWS ITS BIASES TO DOMINATE ITS REPORTING. WHO WOULD DISAGREE THAT CIA OFFICERS HAVE VIEWS AND BIASES, AND THAT THEY TRY TO PROMOTE THEM? BUT, CIA IS NOT MONOLITHIC; THERE IS A WIDE RANGE OF VIEWS INSIDE ON VIRTUALLY EVERY ISSUE. INDEED, THE INTERNAL DEBATES ARE FIERCE AND SOMETIMES BRUTAL -- AFTER ALL, THE STAKES ARE VERY HIGH. IT IS NOT A PLACE FOR THE FAINT-HEARTED. WE HAVE ELABORATE PROCEDURES FOR REVIEWING ASSESSMENTS TO TRY TO FILTER OUT INDIVIDUAL BIAS AND MAKE OUR REPORTING AS OBJECTIVE AS POSSIBLE. AND WHEN WE SEND OUT A PROVOCATIVE ANALYSIS BY AN INDIVIDUAL WE TRY ALWAYS TO IDENTIFY IT AS A PERSONAL VIEW.

BEYOND THIS, IS THERE AN INSTITUTIONAL BIAS THAT AFFECTS OUR WORK? PROBABLY, IN SOME AREAS, IN THE BROADEST SENSE, AND PERHAPS BASED ON EXPERIENCE. AS AN INSTITUTION, WE ARE PROBABLY MORE SKEPTICAL OF SOVIET INTENTIONS THAN MOST; MORE CYNICAL ABOUT THE PUBLIC POSTURE OF OTHER GOVERNMENTS WHEN CONTRASTED TO THEIR ACTIONS, OVERT AND COVERT; MORE DOUBTFUL ABOUT THE EASE AND SPEED WITH WHICH THE UNITED STATES CAN USUALLY AFFECT DEVELOPMENTS OVERSEAS; AND, FAIRLY CONSISTENTLY, WE WILL TEND TO SEE PERILS AND DIFFICULTY WHERE OTHERS DO NOT.

SUSPICIONS THAT CIA'S ASSESSMENTS ARE BIASED IN AREAS WHERE CIA IS INVOLVED IN COVERT ACTION FAIL TO TAKE INTO ACCOUNT OUR REALIZATION THAT OUR WORK IN SUCH AREAS IS SCRUTINIZED WITH SPECIAL CARE BY OTHERS (ESPECIALLY THE CONGRESS) FOR SIGNS OF BIAS. THE ORGANIZATIONAL INDEPENDENCE OF ANALYSIS FROM OPERATIONS IS BUTTRESSED BY INTERNAL AGENCY RIVALRIES.

-- POLICYMAKERS' IMPATIENCE WITH INTELLIGENCE -- WITH CIA -- IS INTENSIFIED BY THE FACT THAT WE ARE SOMETIMES WRONG IN OUR ANALYSIS AND FORECASTS, AND WE OFTEN CHANGE OUR ASSESSMENTS BASED ON NEW ANALYSIS OR NEW INFORMATION. WE DO NOT ACKNOWLEDGE ERROR GRACEFULLY, AND OFTEN DO NOT FOREWARN POLICYMAKERS OF REVISED VIEWS BEFORE THE INFORMATION HITS THE STREET. A POLICYMAKER WHO HAS MADE DECISIONS BASED ON ONE ASSESSMENT ONLY TO SEE IT CHANGE OR TO FIND THAT IT WAS WRONG WILL NOT THINK FONDLY OF US OR SOON WISH AGAIN TO PROCEED ON OUR ASSURANCES OR ASSESSMENTS.

-- AS I SUGGESTED EARLIER, A SPECIAL CRITICISM BY POLICYMAKERS IS THAT CIA IS TOO FREQUENTLY A VOICE OF GLOOM AND DOOM. FOR POLICYMAKERS WHO MUST TRY TO FIND SOLUTIONS FOR INTRACTABLE PROBLEMS OR A WAY OUT OF A NO-WIN SITUATION, OUR FOREBODINGS AND POINTING OUT OF

PERILS AND DANGERS ARE OF LITTLE HELP AND ARE HIGHLY AGGRAVATING.

-- CIA'S RELATIONSHIP WITH CONGRESS ALSO IS A SPECIAL PROBLEM FOR POLICYMAKERS FOR SEVERAL REASONS, AND IT PROFOUNDLY INFLUENCES OUR ROLE. VIRTUALLY ALL CIA ASSESSMENTS GO TO THE TWO CONGRESSIONAL INTELLIGENCE COMMITTEES. MOST GO ALSO TO THE ARMED SERVICES, FOREIGN RELATIONS, AND APPROPRIATIONS COMMITTEES. IN 1986, CIA SENT SOME 5000 INTELLIGENCE REPORTS TO CONGRESS AND GAVE MANY HUNDREDS OF BRIEFINGS. ALL THIS IS NEW IN THE LAST DECADE OR SO. AS A RESULT, AND THANKS TO THEIR STAFFS, MANY SENATORS AND REPRESENTATIVES ARE OFTEN BETTER INFORMED ABOUT CIA'S INFORMATION AND ASSESSMENTS ON A GIVEN SUBJECT THAN THE POLICYMAKER. AND THAT INTELLIGENCE IS OFTEN USED TO CRITICIZE AND CHALLENGE POLICY, TO SET ONE EXECUTIVE AGENCY AGAINST ANOTHER, AND TO EXPOSE DISAGREEMENTS WITHIN AN ADMINISTRATION.

MOST SPECIALISTS WRITING ABOUT THE CHANGED BALANCE OF POWER IN RECENT YEARS BETWEEN THE EXECUTIVE AND CONGRESS ON NATIONAL SECURITY POLICY, CITE WATERGATE AND VIETNAM AS PRIMARY CAUSES. I BELIEVE THERE WAS A THIRD PRINCIPAL FACTOR -- WHEN CONGRESS OBTAINED ACCESS TO INTELLIGENCE INFORMATION IN THE MID-1970S ESSENTIALLY EQUAL TO THAT OF THE EXECUTIVE BRANCH.

- 0 IMAGINE THE REACTION OF THE FORD ADMINISTRATION IN THE MID-70S WHEN THEY WENT TO CONGRESS TO GET ADDITIONAL MCNEY FOR CAMBODIA ONLY TO BE CONFRONTED BY THE LEGISLATORS WITH A NEW INTELLIGENCE ASSESSMENT THAT THE SITUATION WAS HOPELESS.
- 0 IMAGINE PRESIDENT CARTER SEEKING A US TROOP CUT IN SOUTH KOREA ONLY TO FIND CONGRESS AWARE OF A NEW INTELLIGENCE ESTIMATE THAT CONCLUDED THE NUMBER OF NORTH KOREAN DIVISIONS HAD GROWN.
- 0 IMAGINE THE REACTION OF A SECRETARY OF DEFENSE SEEKING FUNDS FOR A NEW WEAPON ONLY TO BE TOLD ON THE HILL OF INTELLIGENCE THAT THE SOVIETS COULD NEUTRALIZE THE WEAPON.

THIS SITUATION ADDS EXTRAORDINARY STRESS TO THE RELATIONSHIP BETWEEN CIA AND POLICY AGENCIES. POLICYMAKER SUSPICION OF CIA USING INTELLIGENCE TO SABOTAGE SELECTED ADMINISTRATION POLICIES IS OFTEN NOT FAR BELOW THE SURFACE. AND NOT A FEW MEMBERS OF CONGRESS ARE WILLING TO EXPLOIT THIS SITUATION BY THEIR OWN SELECTIVE USE OF INTELLIGENCE THAT SUPPORTS THEIR VIEWS. THE END RESULT IS TO STRENGTHEN THE

CONGRESSIONAL HAND IN POLICY DEBATES AND TO HEIGHTEN GREATLY THE TENSIONS BETWEEN CIA AND THE REST OF THE EXECUTIVE BRANCH.

THE OVERSIGHT PROCESS HAS ALSO GIVEN CONGRESS -- ESPECIALLY THE TWO INTELLIGENCE COMMITTEES -- FAR GREATER KNOWLEDGE OF AND INFLUENCE OVER THE WAY CIA AND OTHER INTELLIGENCE AGENCIES SPEND THEIR MONEY THAN ANYONE IN THE EXECUTIVE WOULD DREAM OF EXERCISING; FROM EXPENDITURES IN THE BILLIONS TO LINE ITEMS IN THE THOUSANDS. CONGRESS HAS BEEN IMMENSELY SUPPORTIVE AND STEADFAST IN PROVIDING THE RESOURCES OVER THE PAST TEN YEARS TO REBUILD AMERICAN INTELLIGENCE. BUT I SUSPECT IT CAUSES POLICYMAKERS CONSIDERABLE HEARTBURN TO KNOW THAT CONGRESS MAY ACTUALLY HAVE MORE INFLUENCE TODAY OVER OUR PRIORITIES AND HOW WE SPEND OUR MONEY THAN THE EXECUTIVE BRANCH.

THE RESULT OF THESE REALITIES IS THAT CIA TODAY IS IN A REMARKABLE POSITION, POISED NEARLY EQUIDISTANT BETWEEN THE EXECUTIVE AND LEGISLATIVE BRANCHES -- THE FORMER KNOWS THAT CIA IS IN NO POSITION TO WITHHOLD MUCH FROM CONGRESS AND IS EXTREMELY SENSITIVE TO IT, THE CONGRESS HAS ENORMOUS INFLUENCE AND INFORMATION YET REMAINS SUSPICIOUS AND MISTRUSTFUL. THIS MAY BE OR MAY NOT BE HISTORICALLY CHARACTERISTIC OF OTHER EXECUTIVE

DEPARTMENTS' RELATIONSHIPS WITH CONGRESS, ALTHOUGH I SUSPECT NOT. REGARDLESS, SUCH A CENTRAL LEGISLATIVE ROLE WITH RESPECT TO AN INTELLIGENCE SERVICE IS UNIQUE IN OUR HISTORY AND IN THE WORLD. AND OUR POLICYMAKERS KNOW IT.

NOW, LET ME TURN TO CIA'S ROLE AND RELATIONSHIP WITH THE POLICYMAKER AS SEEN FROM OUR VANTAGE POINT.

— LET ME SAY AT THE OUTSET THAT IN EVERY ADMINISTRATION DURING WHICH I HAVE SERVED THERE HAVE BEEN A NUMBER OF SENIOR POLICYMAKERS (ASSISTANT SECRETARY AND ABOVE) WHO WERE AVID USERS AND READERS OF INTELLIGENCE AND WHO AGGRESSIVELY SOUGHT CIA ANALYSIS AND VIEWS. THEY DEDICATED CONSIDERABLE TIME TO TALKING ABOUT SUBSTANTIVE AND POLICY PROBLEMS WITH US. WE HAVE HAD UNPRECEDENTED ACCESS IN THIS ADMINISTRATION FROM THE PRESIDENT ON DOWN, ESPECIALLY FOR ANALYSIS, AND DAILY CONTACT WITH THE MOST SENIOR OFFICIALS OF THE GOVERNMENT, INCLUDING THE VICE PRESIDENT AND THE SECRETARIES OF STATE AND DEFENSE. THEY HAVE OFTEN DIRECTLY TASKED US AND OFFERED REACTIONS TO THE INTELLIGENCE THEY READ — AND THEY HAVE READ A GREAT DEAL. THIS IS TRUE ALSO OF THEIR SENIOR SUBORDINATES, WITH WHOM WE ARE IN CONSTANT CONTACT. THIS HAS CONTRIBUTED ENORMOUSLY TO IMPROVING THE RELEVANCE,

TIMING, AND SUBSTANCE OF OUR ANALYSIS AND OTHER SUPPORT. IT IS A DYNAMIC, HEALTHY RELATIONSHIP, EVEN THOUGH IT IS FOCUSED PRIMARILY ON CURRENT ISSUES.

- THIS PREOCCUPATION WITH CURRENT REPORTING IS, FROM OUR PERSPECTIVE, A MAJOR PROBLEM. IF, AS I HAVE BEEN TOLD, THE AVERAGE TENURE OF AN ASSISTANT SECRETARY IN GOVERNMENT IS 21 MONTHS, A SHORT TERM FOCUS IS UNDERSTANDABLE BUT LAMENTABLE, AND, ULTIMATELY, VERY COSTLY TO OUR COUNTRY. ONE OF OUR GREATEST CONCERNS OVER THE YEARS HAS BEEN THE UNWILLINGNESS OR INABILITY OF MOST POLICYMAKERS TO SPEND MUCH TIME ON LONGER RANGE ISSUES -- LOOKING AHEAD SEVERAL STEPS -- OR IN HELPING TO GUIDE OR DIRECT OUR EFFORTS. FOR MANY YEARS WE HAVE STRUGGLED, LARGELY IN VAIN, TO GET POLICY OFFICIALS TO DEVOTE TIME TO NON-CRISIS RELATED INTELLIGENCE ISSUES. FOR EXAMPLE, WE WORK HARD TO DETERMINE THEIR REQUIREMENTS -- WHAT ARE THEIR PRIORITIES, WHAT ISSUES OR PROBLEMS SHOULD WE ADDRESS, HOW CAN WE HELP? ONE REASON CONGRESS HAS ASSUMED A LARGER ROLE IN THESE AREAS, IN MY VIEW, IS BECAUSE POLICYMAKERS IN SUCCESSIVE ADMINISTRATIONS HAVE LARGELY ABDICATED THEIR RESPONSIBILITIES. FOR MANY YEARS, TRYING TO GET SENIOR POLICY PRINCIPALS TO MEETINGS TO DISCUSS LONGER RANGE INTELLIGENCE REQUIREMENTS HAS BEEN AN EXERCISE IN FRUSTRATION. BEYOND THE LACK OF HELP ON REQUIREMENTS,

WE GET LITTLE FEEDBACK ON OUR LONGER RANGE WORK TO HELP US BE MORE RESPONSIVE. WE HAVE BEEN MORE AGGRESSIVE IN RECENT YEARS IN TRYING TO ENGAGE POLICYMAKERS ON THESE MATTERS, AND KEY FIGURES IN THIS ADMINISTRATION HAVE SHOWN SOME INTEREST IN SELECTED LONG RANGE PROBLEMS, BUT SUCH INTEREST REMAINS EXCEEDINGLY, DANGEROUSLY RARE.

-- IN PART BECAUSE OF INSUFFICIENT TIME SPENT ON INTELLIGENCE, TOO MANY POLICYMAKERS EARLY ON HAVE UNREALISTIC EXPECTATIONS ABOUT WHAT WE CAN DO THAT, WHEN DISAPPOINTED, TURN TO SKEPTICISM WHETHER WE CAN DO ANYTHING.

-- IT HAS BEEN MY EXPERIENCE OVER THE YEARS THAT THE POLICYMAKERS' RESPONSE TO INTELLIGENCE THEY DISAGREE WITH OR FIND UNPALATABLE MOST OFTEN IS TO IGNORE IT; SOMETIMES, THEY WILL CHARACTERIZE IT AS INCOMPLETE, TOO NARROWLY FOCUSED OR AS INCOMPETENT (AND THEY ARE SOMETIMES RIGHT); AND OCCASIONALLY THEY WILL CHARGE THAT IT IS "COOKED" OR THAT IT REFLECTS A CIA BIAS. IN 21 YEARS IN INTELLIGENCE, I HAVE NEVER HEARD A POLICYMAKER (OR ANYONE ELSE FOR THAT MATTER) CHARACTERIZE AS BIASED OR COOKED A CIA ASSESSMENT WITH WHICH HE AGREED. ON VIETNAM, VARIOUS ASPECTS OF SOVIET POLICY AND BEHAVIOR, ANGOLA, LEBANON, THE EFFECTIVENESS OF EMBARGOES OR SANCTIONS, AND OTHER ISSUES OVER THE

YEARS, OUR ANALYSTS HAVE DRAWN CONCLUSIONS THAT DASH COLD WATER ON THE HOPES AND EFFORTS OF THE POLICYMAKERS. SOMETIMES WE HAVE BEEN WRONG, BUT ON PROBLEMS LARGE AND SMALL WE HAVE NOT FLINCHED FROM PRESENTING OUR HONEST VIEW.

THERE IS NO CHARGE TO WHICH WE IN CIA ARE MORE SENSITIVE THAN THAT OF "COOKING" INTELLIGENCE -- OF SLANTING OUR REPORTING TO SUPPORT POLICY. EVERY DIRECTOR SINCE I JOINED CIA HAS BEEN ACCUSED OF THIS AT ONE TIME OR ANOTHER, I BELIEVE IN VIRTUALLY ALL INSTANCES UNFAIRLY. FIRST, ONE MUST UNDERSTAND THE DISTINCTION BETWEEN PERSONAL AND INSTITUTIONAL VIEWS. NATIONAL ESTIMATES ARE REVIEWED AND COORDINATED BY A DOZEN AGENCIES; CIA ASSESSMENTS ARE WIDELY REVIEWED INSIDE THE AGENCY BUT ALMOST NEVER EVEN SEEN BY THE DIRECTOR BEFORE BEING PUBLISHED AND CIRCULATED. AS NOTED EARLIER, ALL GO TO SEVERAL COMMITTEES OF THE CONGRESS, WHERE THEY ARE SCRUTINIZED.

THESE FORMAL ASSESSMENTS MUST BE DISTINGUISHED FROM PERSONAL VIEWS EXPRESSED BY INDIVIDUALS AT ALL LEVELS OF THE AGENCY, FROM ANALYST TO SENIOR OPERATIONS OFFICER TO DIRECTOR. MORE THAN ONCE, DCI CASEY (AND PROBABLY HIS PREDECESSORS) APPROVED AN ESTIMATE WITH WHICH HE DISAGREED PERSONALLY, AND SEPARATELY CONVEYED

HIS PERSONAL VIEW TO POLICYMAKERS. LEST THIS RAISE EYEBROWS, I REMIND YOU THAT IN 1962 DCI McCONE DISAGREED WITH THE ENTIRE INTELLIGENCE COMMUNITY ON WHETHER THE SOVIETS MIGHT INSTALL MISSILES IN CUBA. HE TOLD PRESIDENT KENNEDY THEY WOULD, AND HE ALONE IN THE EXECUTIVE BRANCH WAS RIGHT. AND, I SHOULD ADD, I AM TOLD, THIS COST HIM HIS RELATIONSHIP WITH THE PRESIDENT. AS LONG AS ALL POINTS OF VIEW ARE FAIRLY REPRESENTED AND REPORTED, THE DIRECTOR OF CENTRAL INTELLIGENCE -- THE PRESIDENT'S CHIEF INTELLIGENCE ADVISER -- IS ENTITLED (EVEN OBLIGATED) TO HAVE AND TO PUT FORWARD HIS OWN VIEW. AS PROFESSOR HENRY ROWEN OF STANFORD UNIVERSITY RECENTLY WROTE IN THE NEW YORK TIMES, "... A CIA DIRECTOR IS NOT SUPPOSED TO BE AN INTELLECTUAL EUNUCH."

POLICYMAKERS HAVE ALWAYS LIKED INTELLIGENCE THAT SUPPORTED WHAT THEY WANT TO DO, AND THEY OFTEN TRY TO INFLUENCE THE ANALYSIS TO COME TO CONCLUSIONS THEY WANT. THEY ASK CAREFULLY PHRASED QUESTIONS; THEY SOMETIMES WITHHOLD INFORMATION; THEY BROADEN OR NARROW THE ISSUE; ON RARE OCCASIONS, THEY EVEN TRY TO INTIMIDATE. THE PRESSURES CAN BE ENORMOUS. THIS IS WHERE THE INTEGRITY OF INTELLIGENCE OFFICERS, BOLSTERED BY A NATURAL TENDENCY TO RESIST PRESSURE AND AN OFTEN ADVERSARIAL BUREAUCRATIC RELATIONSHIP, COMES INTO PLAY TO PROTECT THE INDEPENDENCE OF THE ASSESSMENT.

BUT, OVERALL, YOU MUST UNDERSTAND THAT THE GIVE AND TAKE -- THE DIALOGUE -- BETWEEN POLICYMAKER AND INTELLIGENCE OFFICER ON ISSUES IS NORMAL, HEALTHY, AND USUALLY IMPROVES OUR ASSESSMENTS AND MAKES THEM MORE USEFUL TO THE POLICYMAKER -- EVEN WHILE OBJECTIVITY IS PRESERVED. WE KNOW THEY ARE OFTEN TRYING TO INFLUENCE AN ASSESSMENT, BUT THAT DOES NOT RENDER THEIR INFORMATION AND INSIGHTS IRRELEVANT OR OFF-LIMITS.

A FINAL THOUGHT. TO ATTEMPT TO SLANT INTELLIGENCE NOT ONLY TRANGRESSES THE DEEPEST ETHICAL AND CULTURAL PRINCIPLE OF CIA, WE ALL KNOW IT WOULD ALSO BE FOOLISH -- IT WOULD PRESUPPOSE A SINGLE POINT OF VIEW IN AN ADMINISTRATION AND WOULD IGNORE THE REALITY OF CONGRESSIONAL READERSHIP. INDEED, IN MY OPINION, THE SHARING OF INTELLIGENCE WITH CONGRESS IS ONE OF THE SUREST GUARANTEES OF CIA'S INDEPENDENCE AND OBJECTIVITY. AS DIRECTOR WEBSTER HAS SAID, "WE INTEND TO 'TELL IT AS IT IS,' AVOIDING BIAS AS MUCH AS WE CAN, OR THE POLITICIZATION OF OUR PRODUCT. POLICYMAKERS MAY NOT LIKE THE MESSAGE THEY HEAR FROM US, ESPECIALLY IF THEY HAVE A DIFFERENT POINT OF VIEW. MY POSITION IS THAT IN THE PREPARATION OF INTELLIGENCE JUDGMENTS, PARTICULARLY IN NATIONAL INTELLIGENCE ESTIMATES, WE WILL PROVIDE THEM FOR THE USE OF POLICYMAKERS. THEY

CAN BE USED IN WHOLE OR IN PART. THEY CAN BE IGNORED, OR TORN UP, OR THROWN AWAY, BUT THEY MAY NOT BE CHANGED."

CONCLUSION

WHAT I HAVE DESCRIBED HERE IS THE REALITY OF CIA'S ROLE IN THE MAKING OF AMERICAN FOREIGN POLICY. I HAVE TRIED TO GO BEYOND THE MECHANICS AND THE HEADLINES TO IDENTIFY THE STRESSES, TENSIONS, RIVALRIES, ENDURING COMPLAINTS AND RELATIONSHIPS -- THE PULLING AND HAULING, DAY IN AND DAY OUT, REAL LIFE IF YOU WILL -- THAT DETERMINE CIA'S ROLE AND ITS IMPACT. SOME OF OUR ANALYSES ARE BETTER THAN OTHERS; SOME INTELLIGENCE EXPERTS ARE BETTER THAN OTHERS; ESTIMATES SOMETIMES ALLEGED TO BE POLITICIZED OR BIASED WERE NOT THAT AT ALL -- SOMETIMES THEY WERE JUST NOT VERY WELL DONE. BUT UNEVENNESS OF QUALITY SHOULD NOT BE CONFUSED WITH POLITICIZATION.

CIA'S AUTONOMY IS UNIQUE IN OUR GOVERNMENT, ITS RELATIONSHIP WITH THE LEGISLATURE IS UNIQUE IN THE WORLD. OUR RELATIONSHIPS WITH OTHER ELEMENTS OF THE EXECUTIVE ARE A DYNAMIC BLEND OF SUPPORT AND RIVALRY, OF COOPERATION AND CONFLICT. OUR CHALLENGE IS TO MANAGE THOSE RELATIONSHIPS SO

THAT IT WAS A FAITHFUL INSTRUMENT OF THE MOST DECENT AND PERHAPS THE SIMPLEST OF THE GREAT POWERS, AND CERTAINLY THE ONE THAT EVEN IN ITS DARKEST PASSAGES PRACTICED MOST CONSISTENTLY THE VIRTUE OF HOPE."

THE UNITED STATES HAS THE FINEST GLOBAL INTELLIGENCE SERVICE IN THE WORLD. FAITHFUL TO THE CONSTITUTION AND THE LAWS, IT HELPS TO SAFEGUARD OUR FREEDOM AGAINST OUR ADVERSARIES AND HELPS THE POLICYMAKER UNDERSTAND AND DEAL WITH THE OFTEN DANGEROUS WORLD AROUND US. CIA IS TRULY AMERICA'S FIRST LINE OF DEFENSE -- ITS EYES AND EARS. AND OUR DEEPEST COMMITMENT, TO BORROW A PHRASE USED BY ERIC LARRABEE TO DESCRIBE GEORGE MARSHALL, IS "TO SPEAK TRUTH TO POWER."

8-48

משרד ראש הממשלה
PRIME MINISTER'S OFFICE

J 7431

~~6861~~

Jerusalem

February 28, 1986.

TOP SECRET

Dear Mr. President,

I was pleased to learn of the results of the meeting at Frankfurt.

Implementation of decisions and commitments made there, along with progress made at the following meeting, can pave the way to an important strategic breakthrough for both our countries.

I can assure you that on our part we shall make every effort to facilitate a successful meeting. I have already instructed my representative to prepare useful data and pass it on to his U.S. counterpart. Moreover, at the next meeting, he will be prepared to assist your delegation with whatever means are available to us as relevant to new issues that arise.

It is my firm conviction that the fundamental change we both seek as to the direction of the country with which we are dealing, holds promise not only for our two countries but for many others in the region and in the free world.

Concurrently, I trust that you are aware of our own severe problem concerning our men, Israelis and Jews, held in jeopardy.

Cognizant of the sensitivity and delicacy of the Frankfurt meeting, and in order not to jeopardize its outcome, we accepted that a discussion of our problem be postponed.

Consequently, at the next meeting, once your expectations regarding your own men are met, we will be most interested in having the issue of our men raised.

/2.

President Ronald Reagan
The White House
Washington DC
United States of America

- 2 -

~~J 6062~~

J 7432

Our representative will then be prepared to offer to your delegation concrete suggestions to facilitate solutions to our problem.

Please be assured of my sincere appreciation of the courageous and visionary manner in which you have guided efforts in this challenging matter. It is both a pleasure and an honor to work jointly with you and your impressive team on this venture.

Sincerely,

Shimon Peres:

"We found some individuals (in Iran) that it might be possible for us to deal with.... There are factions in Iran." S 3916

-- Those with whom we were dealing were unscrupulous and untrustworthy. They are advocates and practitioners of that very scourge we are fighting elsewhere in the world -- terrorism. Our two primary contacts for the operation were Gorbanifar and [REDACTED]

[REDACTED] 8-51

-- Gorbanifar had been rejected by the CIA as a contact since, after several polygraphs, they concluded he was a "habitual fabricator" who could not be trusted.

-- On November 16 [REDACTED]

2. "We did not condone and do not condone the shipment of arms from other countries.... We have had nothing to do with other countries or their shipment of arms or doing what they're doing."

-- As your subsequent clarification notes, we knew that Israel was shipping weapons. In a July, 1985 discussion with Bud Neufeldman, Israeli MFA Director General David Kinche directly sought U.S. approval of Israeli arms transfers to Iran. I am told Bud did not sanction such shipments but said that the U.S. would not stop military arms to Israel if a transfer occurred.

[REDACTED]

136

EXHIBIT
GPS-45

1100

10/10/87

-- The direct linkage between Israeli and U.S. supply is shown by the fact that, in early 1986, we supplied 508 TOWs to Israel to replace those it had sent to Iran in September 1985.

-- Bill Casey's testimony for tomorrow reveals that in November 1985 the CIA helped Israel transfer Hawk missiles by Israel to Iran at the NSC staff's request. Shockingly, the NSC staff denies having made this request.

-- The NSC staff has apparently arranged that Southern Air Transport carry some of the arms to Iran. The CIA says this is no longer a proprietary. It is noteworthy, however, that it is the same airline on which Hasenfus and others carried arms to the Contras. This will undoubtedly complicate our efforts to support the Contras.

3. "The mission was served that made us waive temporarily for that really miniscule amount of spare parts and defensive weapons.... The so-called violation did not in any way alter the military balance between the two countries."



4. "Iran does not own or have authority over the Hezbollah.... The Iranian government had no hostages. Iran held no hostages."

-- Without any qualification, Hezbollah is a creature of the Government of Iran, and Iran is its main banker, patron, arms supplier, and adviser.

— Hizbollah was established in 1982 in Lebanon by Iranian Revolutionary Guards.

— The Revolutionary Justice Organization (RJO) has claimed credit for the kidnapping of two of the last three American hostages. The kidnapping of the third was claimed by the Islamic Jihad Organization, an Iranian-controlled entity.

— We are convinced that Iranian-controlled groups in Lebanon have concluded that it is in their interest to kidnap additional Americans because, whatever we say say, America does pay ransom.

5. "Our purposes were...to bring a negotiated end to the Iran-Iraq war."

— Opening a channel of communications to Iran could hasten that end. The supply of arms, even in the context you described, will only make Iran more intransigent and more set on prosecuting the war. The Iranian leadership is convinced it has managed a major breakthrough, and other arms suppliers will now disregard Operation Staunch efforts. Everyone with experience in Iran and dealing with Iranians firmly believes that we have lengthened the war because of the psychological and political boost we have given to those who successfully got arms out of us. In a November 18 speech, Ayatollah Khomeini has told his nation that the "Black House" representatives "presented themselves meekly and humbly at the door of this nation, wishing to establish relations. They wish to apologize for their mistake, but our nation rejects them."

6 May 1987

- 4 -

6. "There is a mistaken perception that we have been exchanging arms for hostages." 3919

— It is very clear to the Iranians that we were exchanging arms for hostages. McFarlane informed the Secretary that Kinche reported that hostages would be released on November 20, 1981 and that Israel planned to fly 100 Hawk missiles from Israel, and subsequently to Iran if the hostages were released. (In the event, the shipments were sent via a CIA proprietary and were delivered to Iran despite the fact that no hostages were released.)

— On several occasions, McFarlane and Poindexter described the operation to us, and Ollie North described it to others, as being arms for hostages, and in some cases as money for hostages. Every time a hostage was released, it was preceded by a shipment of arms to Iran. Regardless of our statements to the contrary, we are convinced that the Iranian leadership believes that it was involved in arms-for-hostages exchanges.


7. "Key Cabinet members were consulted throughout, and our policy objectives were never in dispute."

— This is not true. The Secretary of State was told on at least four occasions that the operation was completely turned off. The last such time was in June of this year. The Secretary was never shown the findings; he was not informed of McFarlane's trip to Tehran, and he was unaware of the CIA role in transferring these weapons. Both the Secretaries of State and Defense were firmly opposed to the supply of arms and continued to make their opposition known to the President.

8. "If there had not been so much publicity, we would have had two more than we were expecting."



— The Iranians with whom we were dealing never fully delivered on any of their commitments, and they would not have done so here. It is in their interest to obtain several hostages as insurance. This was proven when Iranian-controlled groups recently picked up three more Americans in Lebanon.

6 May 1981



-- Also, even if the deal had worked as planned, it would have been yet further evidence that we condone trading hostages for arms. We understand that among the activities attempted last week was the transfer of additional arms as a sweetener for the release of more hostages. If this had worked, it would have conclusively shown that the price for getting the additional two hostages released was arms.

9. "We said that we did not want to do business with any nation that openly backed terrorism. There has been evidence of a lessening of terrorism on the part of Khomeini and his government."



--Although one may be able to argue that Americans were not as intensely targeted by the Iranians during 1985 as they were formerly, there is no doubt that Iran has not reduced in any way its support for international terrorism and our friends and allies, as well as the three new American hostages in Lebanon, continue to suffer.

6 May 1987

- 6 -

10. "There may be some misunderstanding of one of my answers tonight. There was a third country involved in our secret project with Iran...."

11. "I was not breaking any law.... I have the right under the law to defer reporting to Congress.. ."

— Serious legal questions arise for two reasons:

a) We knew of and evidently acquiesced in Israeli shipments to Iran months before the January 1986 finding was signed. A central issue is how we square our knowledge and apparent acceptance of such shipments with the fact that, over a year later, we have still not informed Congress of a third party transfer as we are required to do under the Arms Export Control Act.

b) At least one shipment of U.S. arms say have left the U.S. for Iran after August 1986, when Congress passed a law prohibiting all transfers to Iran. While a strong argument can be made that the finding can authorize transfers prohibited by the AECA's general provisions, that argument became more difficult in the face of the specific prohibition in August.

c) Finally, while Section 101 of the National Security Act implicitly recognizes some degree of legal authority in the President to control the timing and form of notice of intelligence actions, the delay in this instance — about 11 months — is unprecedented and will be condemned by legislators from both parties.

Overall, this action could lead to further restrictions on the President's legal authority.

6 May 1987

UNCLASSIFIED

Chapter 14, Footnote 26

C 09513

8-71

NIC 05060-86
3 November 1986

C

MEMORANDUM FOR: Director of Central Intelligence
FROM: Charles E. Allen
 Acting Intelligence Officer for Counterterrorism
SUBJECT: Frankfurt Meetings

1. Bud MacFarlane's trip is becoming known. [redacted] said [redacted] asked him about Bud's visit. The problem stems from the radicals around Montazari taking action. They have convinced him that this was bad for Iran. Interestingly enough, it turns out that Ghobanifar told Montazari about all the transactions and kept him briefed on what is going on. It turns out that Ghobanifar and Montazari have been friends for 15 years. [redacted] that the reasons for the failure of the Bud trip were several. One was that the trip had not been fully coordinated at the senior level. One of the problems was Ghobanifar's presence in Tehran and the role he played. Most people do not trust him, but he has convinced [redacted] that he has a lot of influence in the United States. [redacted] has a lot of faith in Ghobanifar. The other problem was Amiran Nir's presence in Tehran. [redacted] told them who he was in order to cover his backside. [redacted] argued to convince Ghobanifar [redacted]

[redacted] he was someone that they should use. From [redacted] comments, [redacted] was given to believe that Ghobanifar was quite a powerful man. With further regard to Ghobanifar and his threats, Rafsanjani has proposed inviting him back to Iran and keep him there several months working on things. They can keep him based on the fact that there is an order for his execution. [redacted] said that they do owe Ghobanifar \$10 million, but he also owes them 1,000 TOWs. The problem for us is that he has been involved in many deals and we do not know how to judge this statement.

[redacted]

4455

CL BY
DECL CADR

Executive Registry 19197

CIIN 4030

UNCLASSIFIED

Partially Declassified Pursuant to E.O. 12816 Under provision of E.O. 12816 Foreign Security Council

UNCLASSIFIED

C 09521

if the policy succeeds, all will share. On the same hand if it fails, all will also share so no one can complain. The problem is one of coordination between the groups. [redacted] stated that the last shipment of TGMs eliminating [redacted] channel and establishes his group. [redacted] said that [redacted] mission was very well received in Tehran. This enables the [redacted] force the [redacted] to focus on the hostage situation. There is, however, some confusion in Tehran.

The problem of Montazari. [redacted]

we are that [redacted] they, of course, [redacted] briefed all along.



7.

there is a small group of extremely fanatical Hizballah in [redacted] this group is small, very radical, and united. They published a newspaper in which they stated that the United States and Iran are cooperating in getting the hostages released. [redacted] said that at the moment they have no hard information about the other two hostages, but he suspects that it could be this Hizballah group.

8. In one of his many asides to Clarke, [redacted] said that [redacted] problem about North's demand for release of all the hostages.

A

Executive Registry 1999

CIIN 4030

UNCLASSIFIED

UNCLASSIFIED

C 09522

[REDACTED]

[REDACTED] said that [REDACTED] would be arriving in Europe on 31 October. [REDACTED] said [REDACTED] they want to move things along and hope that the release of two more hostages will help. The perception in Tehran is that the American leadership is in a hurry of moving things along too fast. They interpreted our original severe [REDACTED] as a [REDACTED] of extreme caution. The US side defended this cautious [REDACTED] that the bottom line is that they released two then took the [REDACTED] [REDACTED] several points he wanted to discuss as follows: Kuwaiti [REDACTED] cameras for RF-4's, and a list of Phoenix spare parts. [REDACTED] said that the Iranians have 70 Phoenix missiles which are inoperable and in need of spare parts. Rafsanjani himself is personally interested in the Phoenix problem. This is because the Iraqis have enormous respect for the Phoenix. They need help to repair the missiles on hand as they know it is impossible to obtain new ones. Technicians to help on the Phoenix missiles would be seen as a very positive step in Tehran and could well resolve the whole hostage problem. [REDACTED] also said that they have enough TOWs for current operations. At this point [REDACTED] emphasized that the sending of things to them have proved the US' good intentions. We told [REDACTED] that it might be some time before we could organize the technical support they needed, but we thought such support was essential and our orders for spare parts do not make sense. In fact General Secord believes that if someone were to get into their logistics system he could probably locate large numbers of spares that they do not even know they have. [REDACTED] also asked if we could do anything about the 20 Chinooks that have been embargoed in [REDACTED] for three years. The FBI is also holding \$20 million that Iran went to [REDACTED] for and won the case. We asked him for additional information on this case and some documentary support so that we can follow it up.

10. In another aside, [REDACTED] stated to Clarke that they feel they must have pilotless drones to give them the kind of intelligence coverage they need. He wondered if they could buy some from the Israelis. This may be an opening for Nir. [REDACTED] also told us about [REDACTED] radars they are buying from [REDACTED]. Although they are supposed to be deployed to cover the Soviet Union, in fact the technicians are installing them along the Iraqi border.

11. [REDACTED] said that a four-man committee has been formed in Tehran to oversee their relations with the United States. They are as [REDACTED]:

[REDACTED]

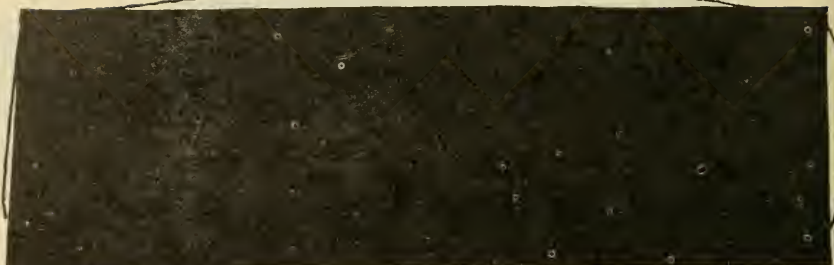
C11N 4030


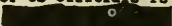
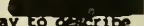
UNCLASSIFIED


Executive Registry 19200

UNCLASSIFIED

C 09523




 said that the man they ultimately want to meet with senior US officials is
 
 and a moderate. He is
 
 role in this is somewhat foggy.
 
 is the only one of the four that knows of his role. The best way to describe
 him is that he is Rafsanjani's window on the operation.


 Charles E. Allen

CIIN 4030

UNCLASSIFIED



 Executive Registry 19201

8-73

CLASSIFIED AT TIME OF PUBLICATION.

UNCLASSIFIED

8-73

C 332

HAKIM: AND HE USED [REDACTED] AS AN EXAMPLE

HAKIM: IN THIS EVALUATION THEY WANTED TO MAKE SURE THAT THE RELATIONSHIP WOULD NOT DEVELOP LIKE IT WOULD BETWEEN TWO MERCHANTS AND YOU HAD TO START TRADING AND DEALING WITH EACH OTHER. THEY WANTED TO MAKE SURE THE RELATIONSHIP WOULD BE ESTABLISHED AT A LEVEL THAT YOUR OBJECTIVES AND GOAL WOULD BE SOMETHING BEYOND AND HIGHER THAN TRADING.

CAVE: BE OF GREATER VALUE

HAKIM: GREATER VALUE

HAKIM: [REDACTED] WANTS TO SUPPORT WHAT [REDACTED] HAS BEEN SAYING. HE SAID WHEN HE GOT THE ASSIGNMENT OF EVALUATING ALL THE EVENTS OF THE PAST AND STARTED WITH [REDACTED] THE FILES AND READ EVERYTHING, AND GET THE INFO FROM [REDACTED] HE DEFINITELY CAME TO THE CONCLUSION THAT THE RELATIONSHIP WAS AT THE LEVEL OF TWO MERCHANTS, AND HE WANTS TO ESTABLISH [REDACTED] THAT [REDACTED] OUTDID HIMSELF ESPECIALLY DURING THE PAST SEVERAL WEEKS TO MAKE THE LEADERS OF THEIR COUNTRY UNDERSTAND THAT THIS IS WRONG TO HAVE A RELATIONSHIP ON THE LEVEL OF MERCHANTS AND WANTS TO LOOK UP TO A RELATIONSHIP THAT IS MORE VALUABLE AND EFFECTIVE. DID I MISS ANYTHING?

CAVE: NO. HE WANTS TO MAKE CLEAR THAT EVEN IN THE LAST LETTER THEY DIDN'T LIKE THE MERCHANT TONE OF IT--THE "YOU DO THIS, WE DO THAT." THEY WANT TO GET AWAY FROM THAT. THEY WANT TO JUST UNDERSTAND.

SE: WHICH LETTER?

CAVE: WELL, THE THING WE DID IN TEHRAN. THEY WANT US TO UNDERSTAND THAT THEY WANT THIS TO BE SOMETHING MORE THAN JUST...

HAKIM: IT IS NOT CRITICISM?, IT IS OBSERVATION.

Partially Declassified/Released on 29 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

CAVE: NO, THEY ARE NOT CRITICIZING.

HAKIM: THEY SAY THAT THEY UNDERSTAND THE EVOLUTION... I'M PRIVILEGED A LITTLE BIT [REDACTED] BECAUSE WE HAD A LITTLE BIT MORE TIME TO CHAT THAN [REDACTED] WE WENT THROUGH THIS. THEY FULLY RECOGNIZE AND APPRECIATE VERY MUCH THE EFFORTS OF ALL PEOPLE THAT HAVE DONE EVERYTHING THAT THEY HAVE DONE, INCLUDING GHORBANIFAR, AND EVEN THE WAY HE HAS DONE IT [REDACTED] AND SO ON.

?SECOND?: I'M NOT SURE I APPRECIATE GHORBANIFAR QUITE SO MUCH.

HAKIM: NO, BUT THEY DO. THEY SAID THAT [REDACTED] THIS AFTERNOON HE TOLD ME, THE [REDACTED] HE WAS, AND HAVING THE ODDS TO COME TO [REDACTED] AND FOR THEM TO ACCOMMODATE HIM. THEY GIVE A LOT OF VALUE TO THIS. BUT, IT HAS REACHED A POINT THAT THAT RELATIONSHIP CANNOT BEAR FRUIT ANY MORE. IT HAS TO EVOLVE TO THE NEXT STAGE.

UNCLASSIFIED

5833

UNCLASSIFIED

8-7475

C 366

CAVE: WE HAD THE U. S. ARMY GO GET THEM.

NORTH: YEAH. IT WAS A VERY SECRET PROCESS, SO THAT WE DON'T HAVE EVERYBODY IN THE WORLD LOOKING AT IT. AND THAT IS AN EXPENSIVE PROCESS. MUCH OF THAT WORK HAS ALREADY BEEN DONE. PARTS HAVE BEEN ASSEMBLED, SOME OF THEM PACKED. . . WE STOPPED EVERYTHING WHEN YOU TOLD ME THERE WAS NO MONEY LAST WEEK. WE STOPPED EVERYTHING.

AKIM: ((INTERPRETS))

NORTH: WE HAVE ALSO TAKEN STEPS TO OBTAIN THE TWO RADARS THAT WERE ASKED FOR.

AKIM: ((INTERPRETS))

NORTH: WE HAVE IDENTIFIED TWO RADARS THAT ARE PHASE TWO RADARS; THAT'S THE NEXT GENERATION OF HAWK SYSTEMS. AND WE HAVE TOLD THE ARMY TO PREPARE . . . NOW, I HAVEN'T DONE THIS, I DON'T WANT THE ARMY TO SEE THE WHITE HOUSE BEING IN ON THIS. THIS IS ALL BEING DONE BY SAM ((LAUGHTER)) SAM'S COMPANY.

AKIM: ((INTERPRETS))

NORTH: . . . TO PREPARE TO REVERSE ENGINEER THOSE ITEMS AND TO PACK THEM FOR AIR TRANSPORT TO A PORT WHICH IS RELATIVELY NEARBY WHERE WE CAN FLY THEM IN AND TRANSLOAD THEM ONTO A SHIP THAT CAN BRING THEM IN TO BANDAR ABBAS.

AKIM: ((INTERPRETS))

NORTH: WE HAVE ALSO TAKEN STEPS TO IDENTIFY IN THE ARSENALS OR, IF YOU WILL, THE BUNKERS, ADDITIONAL TOWS TO BE MOVED VERY QUICKLY.

AKIM: ((INTERPRETS))

NORTH: NOW THERE ARE REASONS FOR THAT, ALRIGHT? FIRST OF ALL, YOU HAVE THE TOWS ALREADY; YOU DON'T NEED A WHOLE BUNCH OF TRAINING ON THE TOWS, AND THEY CAN BE AIRLIFTED VERY QUICKLY.

Partially Declassified/Released on 29 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

AKIM: ((INTERPRETS))

NORTH: THERE IS ALSO A PHILOSOPHICAL REASON. OUR PRESIDENT HAS TOLD ME TO TELL YOU--AND I TOLD [REDACTED] THAT WE ARE PREPARED TO HELP IRAN DEFEND ITSELF AND TO MAINTAIN ITS TERRITORIAL INTEGRITY.

AKIM: ((INTERPRETS))

NORTH: THE ITEMS THAT WE HAVE IDENTIFIED CAN BE MOVED QUICKLY, AND ARE PRINCIPALLY DEFENSIVE IN NATURE.

AKIM: ((INTERPRETS))

NORTH: THEY ARE ALSO ITEMS THAT YOU ALREADY HAD, AND ARE NOT GOING TO BE VISIBLY, BY THE SOVIETS, SUDDENLY DETECTABLE AS SOMETHING NEW AND DIFFERENT.

AKIM: ((INTERPRETS))

NORTH: THE ARTILLERY AND OTHER WEAPONS THAT WERE ON THAT LIST, AS I INDICATED TO [REDACTED] ALMOST A YEAR AGO, ANYTHING IS POSSIBLE.

C180 D600

TOP SECRET**NOFORN**

82-684 1267

5832

UNCLASSIFIED

BUT WE HAVE GOT TO TAKE STEPS THAT DO NOT INDEED COMPROMISE US IN THE EYES OF OUR OWN PEOPLE AND IN TERMS OF THE REST OF THE RELATIONSHIP WITH THE ARAB WORLD AND WITH THE SOVIETS.

HAKIM: ((INTERPRETS))

((SEVERAL CONVERSATIONS GOING ON AT ONCE IN BACKGROUND.))

C 367

HAKIM: ((INTERPRETS)) THEY HAVE THE MONEY AVAILABLE FOR THE 300 TONS RIGHT NOW. TODAY, THEY CAN GIVE TO US ((FEW WORDS UNCLEAR.)) I UNDERSTAND THAT'S ONE SHIPLOAD, RIGHT?

NORTH: PLANELOAD

[REDACTED] AND HAKIM TALK TOGETHER CAVE AND NORTH TALKING TOGETHER CAN'T MAKE OUT EITHER OF THE CONVERSATIONS.))

HAKIM: ((INTERPRETS)) OKAY LET ME GIVE YOU THE ((WORD UNCLEAR)) IN A NUTSHELL, WHAT HAS BEEN GOING ON BACK AND FORTH [REDACTED] HAS TRANSLATED SOME OF IT THE BOTTOM LINE IS THAT THEY HAVE CHANGED THEIR ORDER OF PRIORITIES THEIR IS A LIST OF EIGHT ITEMS, AND ITEM EIGHT WHICH IS IN THEIR REQUIREMENT IS THE HAWK MISSILES. THEY LIKE... THEIR POSITION IS ALSO RESOLVE THE OTHER SEVEN ITEMS AS TO WHAT OUR POSITION IS, SO THEY CAN REACT TO THE WHOLE THING I SEE AN ISSUE HERE THAT I HAVE TO GO BACK AND ASK HIM BECAUSE BEFORE WE SAY THAT IN EIGHT DAYS WE WILL BE READY TO SHIP THE, UH, GIVE US THE MONEY TO SEND THE HAWK MISSILES. I DON'T KNOW HOW HE'S GOING TO FILL IN THE GAP HERE I'LL GO BACK AND CLARIFY THIS AND GET BACK TO YOU I HAVE A PROBLEM HERE, I DON'T UNDERSTAND [REDACTED] HERE. ON THE ONE HAND HE SAYS THAT THE PRIORITY HAS CHANGED, PRIORITY ONE, WHICH WAS FORMERLY THE HAWK SPARES, IS ITEM EIGHT. AND THEN EARLIER HE TOLD ME THAT IN EIGHT DAYS HE IS GOING TO PAY FOR THE HAWK PARTS I SEE A CONTRADICTION HERE THAT I CANNOT DICEST IN MY COMPUTER, AND I NEED TO GO BACK AND CLARIFY THIS, UNLESS IT'S CLEAR TO YOU GENTLEMEN IS IT CLEAR TO YOU?

NORTH: NO BUT LET ME JUST GO ONE STEP FURTHER, BECAUSE I HAVE TAKEN THIS LIST, AND I HAVE TAKEN IT TO THE PRESIDENT. AND HE IS VERY CLEAR ON IT.

HAKIM: ((EXPLAINS THE APPARENT CONTRADICTION TO [REDACTED] EXPLAINS AND HAKIM SAYS, IN ENGLISH)) OKAY AGAIN THERE WAS A MISUNDERSTANDING ON "THAT HAWK" WHICH IS VERY IMPORTANT FOR YOU TO UNDERSTAND. ASSUMING THAT YOU SAY THAT YOU CANNOT SUPPLY THE SEVEN ITEMS.

NORTH: NO ONE SAID THAT

HAKIM: NO, NO I DIDN'T SAY THAT YOU SAID THAT I KNOW WHAT YOU HAVE SAID YOU HAVE TOLD [REDACTED] AND YOU HAVE TOLD EVERYBODY... YOU ARE GOING OVER THE SAME THING BUT I'M TRYING TO ESTABLISH A FOUNDATION FOR OUR ((WORD UNCLEAR)) I'D LIKE TO SAVE THE REPUTATION OF MY IRANIAN FRIENDS HERE, OKAY? THAT'S WHAT I'M AFTER REALLY, THE ORDER OF PRIORITY HAS NOT CHANGED AND I WANT YOU GENTLEMEN TO UNDERSTAND THAT HE SAYS TODAY IF YOU DON'T GIVE US THE SEVEN ITEMS, THEY WILL GO AHEAD AND BUY THE HAWK PARTS. ((CONFERS QUIETLY WITH [REDACTED])) ((FEW WORDS UNCLEAR)) ONE OF THEM IS FINANCIAL.

CAVE: IN OTHER WORDS THEY WANT TO GET THE MOST FOR THEIR MONEY

NORTH: THIS IS VERY IMPORTANT MAYBE BEFORE WE EVEN HOLD THIS DISCUSSION.

0110 0600

TOP SECRET**NOFORN**

YOU OUGHT TO SEE THE INTELLIGENCE ON IRAQ THAT WE'VE GOT. WHAT I'M TRYING TO DO FOR YOU... AND I'VE SPENT 25 YEARS OF MY LIFE IN THE MILITARY... THAT'S IMPORTANT...

AKIM: ((INTERPRETS))

UNCLASSIFIED C 368

DRTH: WHAT THE PRESIDENT TOLD ME TO DO WAS TO BUILD THE BEST POSSIBLE INTELLIGENCE [REDACTED] WE DIDN'T GIVE YOU A FULL INTELLIGENCE PACKAGE BACK IN FEBRUARY.

AKIM: ((INTERPRETS))

DRTH: BASED ON THE [REDACTED]

[REDACTED] PREPARE A LIST OF MOST NEEDED ITEMS THAT WE WOULD RECOMMEND TO YOU...

AKIM: ((INTERPRETS))

DRTH: HE ONLY PUT ONE CONSTRAINT ON WHAT I DID. "YOU WILL NOT," HE SAID TO ME. "RECOMMEND ITEMS THAT WOULD ALLOW OR ENCOURAGE THE IRANIAN ARMY OR THE PASDARAN TO SEIZE BAGHDAD."

AKIM: ((INTERPRETS))

AKIM: ((INTERPRETS)) ISN'T IT YOUR UNDERSTANDING FROM EVERYTHING THAT YOU HAVE SEEN THAT BAGHDAD IS NOT ONE OF THEIR OBJECTIVES?

DRTH: MY FRIEND, I UNDERSTAND THAT I ACTUALLY BELIEVE THAT BUT I ONE HELL OF A TIME CONVINCING PEOPLE LIKE CASPER WINEBERGER AND GEORGE SHULTZ.

AKIM: ((INTERPRETS))

DRTH: AND THAT'S AN IMPORTANT FACTOR HERE.

AKIM: ((INTERPRETS))

AKIM: ((INTERPRETS)) HE SAYS THAT YOU... THEY DID NOT BELIEVE THAT THEY COULD SEIZE FAH. BUT THEY DID.

DRTH: THAT'S WHAT SCARED THE HELL OUT OF CASPER WEINBERGER AND GEORGE SHULTZ. ((LAUGHS))

AKIM: ((INTERPRETS))

AKIM: ((INTERPRETS)) HE SAYS THEY ARE NOT GOING TO WAIT FOR SHULTZ AND WEINBERGER TO SEIZE BAGHDAD.

DRTH: ((LAUGHING)) I UNDERSTAND THAT

82-684 1269

TOP SECRET
UNCLASSIFIED

NOFORN

C1W 0600

~~TOP SECRET~~
~~UNCLASSIFIED~~

HAKIM ((INTERPRETS)) AND IF THEY DO, IT WILL BE TOO LATE.

C 369

TELL HIM THAT I'M JUST JOKING

NORTH WEINBERGER, IN OUR LAST SESSION WITH THE PRESIDENT, SAID, "I DON'T THINK WE SHOULD SEND ONE MORE SCREW--TALKING ABOUT THE HAWK PARTS-- UNTIL WE HAVE OUR AMERICANS BACK FROM BEIRUT BECAUSE WHEN THE AMERICAN PEOPLE FIND OUT THAT THIS HAS HAPPENED, THEY'LL IMPEACH YOU." TALKING TO THE PRESIDENT

HAKIM ((INTERPRETS))

NORTH HE AND I WENT THROUGH THE LIST WITH THE GENERAL AND THE ADVICE THAT HE PROVIDED WITHIN THE GUIDANCE THAT THE PRESIDENT HAD GIVEN US, AND, AGAIN, BASED ON WHAT WE KNOW IS GOING ON IN THE REGION, AND WHAT WE EXPECT OF THE IRAQI PLANS, WAS IMPROVE AIR DEFENSE IMMEDIATELY, PROVIDE ANTI-ARMOR DEFENSE, AND GET YOU THE INTELLIGENCE YOU NEED SO THAT YOU DON'T DECIMATE WHAT'S LEFT OF THE PASDARAN, AND THEN SEE WHERE WE'RE GOING BEFORE WE MOVE ANY OF THIS HE, THE PRESIDENT, DIDN'T SAY NO TO ANY OF THIS

HAKIM ((INTERPRETS))

NORTH AND WHEN HE'S TALKING ABOUT "SEE WHERE WE GO," WHAT HE IS TALKING ABOUT IS, VERY PRACTICALLY, SEEING WHERE WE ARE GOING WITH THE WAR THERE'S NO POINT IN YOU SPENDING A BILLION DOLLARS, OR WHATEVER THAT COMES TO I HAVE NO IDEA WHAT ALL THAT COSTS IF YOU DON'T NEED IT BECAUSE THE WAR IS GOING TO BE OVER

HAKIM ((INTERPRETS))

HAKIM ((INTERPRETS)) COULD YOU GIVE YOUR RECOMMENDATION ABOUT THIS LIST, BECAUSE THIS LIST IS BASED ON AN OPERATIONAL PLAN THAT THEY HAVE

NORTH I UNDERSTAND THAT

HAKIM AND THEY WANT TO UNDERSTAND YOUR COMMENTS ABOUT THESE LISTS

NORTH I THINK, AFTER HE HAS SEEN THE INTELLIGENCE, MY PRAYER FOR THOUSANDS OF YOUNG IRANIAN YOUNGSTERS, IS THAT SOMEBODY THINKS VERY CAREFULLY ABOUT THAT OFFENSIVE "OHAY"

HAKIM ((INTERPRETS))

AND HAKIM TALK QUIETLY IN BACKGROUND (INAUDIBLY))

((TIME OUT FOR NORTH AND CAVE TO MAKE PHONE CALLS))

RECORD LET ME THEN, WHILE YOU ARE DOING THAT, GO OVER THEN FOR SOME OF THE THINGS WE SAID IN WASHINGTON ABOUT THIS LIST AND HOW IT RELATES TO THE STEP BY STEP APPROACH TO IT AND THE HOSTAGES

HAKIM THEIR LIST OR OUR LIST?

RECORD THEIR LIST

NORTH THE IMPORTANT THING IS THAT WHAT WE DID WAS LOOK AT THE IMMEDIATE NEEDS OHAY I UNDERSTAND THE OFFENSIVE I UNDERSTAND THE NEED

DND/DLDD

~~TOP SECRET~~~~UNCLASSIFIED~~

UNCLASSIFIED
NOFORN

FOR IT POLITICALLY WITHIN YOUR COUNTRY. THE PRESIDENT UNDERSTANDS THAT QAYY WE TOLD [REDACTED] WHEN HE WAS IN OUR COUNTRY THAT WE UNDERSTOOD AND RECOGNIZED THE NEED FOR A PERCEPTIBLE VICTORY FOR THE IRANIAN PEOPLE

370

HAKIM ((INTERPRETS FOR [REDACTED] AS FOLLOWS)) YOU MUST BELIEVE THAT WE UNDERSTAND THAT YOU NEED THIS OFFENSIVE. THE PRESIDENT ALSO UNDERSTANDS THEY ARE SENSITIVE TO THE DESIRE FOR A VICTORY BY THE IRANIAN PEOPLE. THESE ((FEW WORDS UNCLEAR)) HAVE BEEN SAID REPEATEDLY. WHAT THESE GENTLEMEN ARE SAYING IS NOT THAT YOU SHOULD NOT STAGE AN OFFENSIVE. WHAT THEY ARE SAYING IS ALONG THE LINES OF WHAT YOU SHOULD DO TO REACH YOUR OBJECTIVE ((FEW WORDS UNCLEAR)). THERE ARE VARIOUS PATHS TO VICTORY. THE COURSE WHICH SHOULD BE CHOSEN CAN BE DISCERNED BETTER IF YOU ((FEW WORDS)) INFORMATION

NORTH THE PRESIDENT HAS SAID AND I SAID THIS TO YOU. AND I FLEW UP TO CAMP DAVID TO TALK TO THE PRESIDENT AND HE SAID, "I UNDERSTAND WHY WE SHOULD DO EVERYTHING POSSIBLE TO INSURE AN HONORABLE PEACE FOR IRAN."

HAKIM ((INTERPRETS, BUT SAYS "HONORABLE VICTORY" INSTEAD OF "HONORABLE PEACE"))

[REDACTED] ((IN ENGLISH)) DON'T EXPLAIN THAT PLEASE

HAKIM WHY YOU DON'T EXPLAIN TO THEM HOW THEY CAN ACHIEVE VICTORY

NORTH BECAUSE I'M NOT SURE THAT OUR DEFINITIONS OF VICTORY ARE COMPLETELY COMPATIBLE

HAKIM ((INTERPRETS))

HAKIM ((INTERPRETS)) HE SAYS HE CANNOT UNDERSTAND WHY YOU CANNOT UNDERSTAND BECAUSE HE SAYS FOR THEM ((FEW WORDS UNCLEAR))

ORTH SADDAM HUSAIN QAYY AND I DON'T KNOW QUITE EXACTLY HOW THAT'S ALL GOING TO WORK QAYY. ONE OF THE THINGS THAT WE WOULD LIKE TO DO IS THAT WE WOULD LIKE TO BECOME ACTIVELY ENGAGED IN ENDING THIS WAR

HAKIM ((INTERPRETS))

ORTH

HAKIM ((INTERPRETS))

NORTH WHAT WE'RE TALKING ABOUT IS A PROCESS BY WHICH ALL THE REST OF THE ARAB WORLD COMES VERY QUICKLY TO REALIZE THAT IRAN IS NOT A THREAT TO THEM. IRAN IS NOT GOING TO OVERRUN KUWAIT. IRAN IS NOT GOING TO OVERTHROW THE GOVERNMENT OF SAUDI ARABIA

HAKIM ((INTERPRETS))

UNCLASSIFIED

NOFORN

82-684 1271

UNCLASSIFIED

"THIS IS THE CONCLUSION THAT YOU HAVE REACHED"

C 371

HAYIM ((INTERPRETS AS)) DO YOU REALLY BELIEVE THIS?

NORTH YES THE INNER CIRCLE OF OUR GOVERNMENT KNOWS THAT THEY HAVE COME TO UNDERSTAND THE ONLY THING THAT THREW A WRINKLE IN IT IS THE TWO NEW HOSTAGES

HAYIM ((INTERPRETS))

SECDEF: LOOK I WANT TO ADDRESS THIS LIST JUST AS WE DID IN WASHINGTON

AND HAYIM CONFER QUIETLY IN THE BACKGROUND U.S. NEGOTIATORS TALK PRIVATELY AMONG THEMSELVES SEVERAL CONVERSATIONS GOING ON A SIMULTANEOUSLY

((END OF TAPE 11))

NEW ODD
PAGE

CHAPTER 9. IRAN: THE LEGAL ISSUES



Office of the Attorney General
Washington, D.C. 20530

Chapter 20-5-1 58
10/5/81

81

UNCLASSIFIED

OCTOBER 5, 1981

N 10018

9-19

The Honorable William J. Casey
Director
Central Intelligence Agency
Washington, D.C. 20505

Re: CIA Exchange of U.S. Weaponry
for [redacted] (S)

Dear Bill:

We have been advised by the State Department's Legal Adviser that the Foreign Assistance Act and the Arms Export Control Act were not intended, and have not been applied, by Congress to be the exclusive means for sales of U.S. weapons to foreign countries and that the President may approve a transfer outside the context of those statutes. Accordingly, I believe the exchange for [redacted] may be legally completed, based upon a determination by the President that these Acts cannot be used and that the authorities of the Economy Act and National Security Act may be utilized to achieve a significant intelligence objective. In order to satisfy the Congressional reporting requirements imposed on the Secretary of Defense under DoD Appropriations Authorization Acts (10 U.S.C. 133, Note) and on you by the Intelligence Oversight Act of 1980 (50 U.S.C. 413), the House and Senate Intelligence Committees should be informed of this proposal and the President's determinations. (S)

Sincerely,

Bill

WILLIAM FRENCH SMITH
Attorney General

Classified by Derivative: State Department
Memorandum of Law, October 2, 1981.
Review for Declassification: 10/2/2001.

7733

4546

UNCLASSIFIED

Partially Declassified Pursuant to E.O. 12958
by B. Berger, National Security Council

10/2/81

THE LEGAL ADVISER
DEPARTMENT OF STATE
WASHINGTON

N 10021

UNCLASSIFIED

SECRET SENSITIVE

October 2, 1981

MEMORANDUM OF LAW

SUBJECT: Legal Authority for the Transfer of Arms
Incidental to Intelligence Collection

Introduction

This memorandum examines the legal basis for a proposed covert transfer of [redacted] from the stocks of the Department of Defense to the Central Intelligence Agency and from the Central Intelligence Agency to [redacted]. This transfer would be an essential precondition to the acquisition [redacted]



Analysis

The Congress has enacted a number of statutes specifically dealing with the international transfer of arms by the United States, contained chiefly in the Foreign Assistance Act of 1961 (hereafter "the FAA") and the Arms Export Control Act (hereinafter "the AECA"). Any examination of the legality of the proposed transaction should begin with the question of whether any of these statutes is necessarily applicable in these circumstances.

At the outset, it should be noted that since this proposed transfer of U.S. arms would be a cash sale, laws dealing with grants of defense articles and with "assistance" to foreign countries are not applicable. In this regard, former section 640 of the FAA (79 Stat. 661) provided that references in that Act to "assistance" would not be construed as applicable to cash sales of defense articles. This rule of construction is preserved by section 45(c) of the AECA (22 U.S.C. 2751 note) stating that no provision of law (with certain exceptions not here relevant) shall be deemed to apply to that Act unless it refers specifically thereto or refers generally to sales of defense articles and services. When section 45(c) was enacted in 1968, the report of the House Committee on Foreign Affairs explained its purpose as follows:

4548

UNCLASSIFIED

SECRET SENSITIVE

Handwritten notes in the left margin, including "SECRET SENSITIVE" and other illegible markings.

~~CONFIDENTIAL~~
UNCLASSIFIED

N 10022

"The second sentence [of subsection (c)] continues in force after the repeal of section 640 of the FAA by subsection (a) the rule of construction contained therein that restrictions which do not refer specifically to sales of defense articles and defense services and are phrased only in general terms of prohibiting "assistance" do not apply to sales." H.R. Rep. No. 1641, 90th Cong. 2d Sess., p.14 (1966).

These expressions of legislative intent--in the Foreign Assistance Act, the Arms Export Control Act, and the above-quoted committee report--show that Congress does not regard cash sales of defense articles "as constituting assistance" for purposes of laws prohibiting assistance to foreign countries. Therefore, it is unnecessary to consider restrictions such as those contained in section 620(i) of the FAA (22 U.S.C. 2370(i)) on assistance to nations engaged in aggressive military efforts, or section 620(t) of the FAA (22 U.S.C. 2370(t))

Certain categories of military equipment may be transferred only under specified authorities or after compliance with certain procedures. In particular, section 514(a) of the FAA requires that any defense article in the DOD inventory "which is set aside, reserved, or in any way earmarked or intended for future use by any foreign country" may be transferred to a foreign country only under the authority of the FAA or the AECA. In addition, 10 U.S.C. 957 prohibits any "sale outside the Department of Defense" of any defense article classified "as Prepositioned Material Configures to Unit Sets, as decrement stock, or as Prepositioned War Reserve Stocks" unless the President determines and reports to Congress that certain criteria relating to an international crisis are met. Further, section 813 of P.L. 94-106, as amended (10 U.S.C. 133 note), requires a report to Congress in the case of "any proposal to transfer defense articles which are valued at \$25,000,000 or more from the United States active forces' inventories or from current production.

The General Counsel of the Department of Defense has determined that [redacted] proposed to be transferred in this case will all come from active forces' inventories and from current production. Accordingly, the first two of the three statutes described in the preceding paragraph do not apply. However, the third statute does require a report to Congress by the Secretary of Defense.

~~CONFIDENTIAL~~
UNCLASSIFIED

UNCLASSIFIED

N 10023

- 3 -

Although the applicable statute does not specify the form or the precise recipients in Congress of such a report, the practice has been to furnish reports of transfers from active forces' inventories and new production in writing to the Speaker of the House and the President of the Senate, with copies to the Armed Services Committees. In light of this practice, it would seem prudent to offer at least an oral report to the chairmen of the Armed Services Committees, explaining that the proposed transfer is one of great sensitivity and is being reported on in detail to the Intelligence Committees. (It is understood that the Intelligence Committees will be informed in accordance with the usual procedures for providing notification of significant anticipated intelligence activities in accordance with section 501 of the National Security Act of 1947 (50 U.S.C. 413).)

Arms sales by the United States to foreign countries are expressly authorized by the Arms Export Control Act. Specifically, section 21(a) of the AECA (22 U.S.C. 2761(a)) authorizes the President to make cash sales to foreign countries of defense articles from the stocks of the Department of Defense. However, it is clear that the requirements of the AECA cannot be met in this case. The principal relevant requirements are as follows:

--Sales may be made only to countries with respect to which the President has found such sales will strengthen the security of the United States and promote world peace (§ 3(a)(1), 22 U.S.C. 2753 (a)(1)):

-- The articles may be sold only for use for legitimate purposes and the recipient country must agree to use the arms only for legitimate (e.g., self defense) purposes, not to retransfer them without USG consent, and to maintain their security (§§ 3(a)(2) and (3), 4, 22 U.S.C. 2753(a)(2) and (3), 22 U.S.C. 2754):

--A report of the proposed sale of major defense equipment valued at \$7 million or more must be submitted to Congress, which may disapprove the sale by concurrent resolution within 30 days after receiving such report (§ 36(b), 22 U.S.C. 2776(b)).*

*Congressional review under section 36(b) may be waived personally by the President if he certifies to Congress that an emergency exists which requires the sale in the national security interest. However, this authority has been exercised only once in the seven years since section 36(b) was enacted in 1974 (for Yemen in 1979, see Presidential next page)

UNCLASSIFIED

~~UNCLASSIFIED~~

N 10024

In the case [redacted] the President has made no determination of eligibility under section 3(a)(1) of the AECMA. It is at least questionable whether [redacted] use of the U.S. arms [redacted] could be characterized as a legitimate use of force in self defense (see the definition of aggression set forth in UNGA Res. 3314 (XXIX) (1974)). Congressional review is obviously impractical and acceptance of this transfer by Congress might be unobtainable in any event.

In view of the foregoing, it seems clear that a transfer under the authority of the AECMA is impracticable. Accordingly, it has been proposed that DOD transfer the weapons to CIA under the authority of section 601 of the Economy Act of 1932 (31 U.S.C. 666), which permits one federal agency to order equipment from another on a reimbursable basis to carry out an authorized activity of the requesting agency. It is then proposed that CIA effect the transfer [redacted] under the sweeping authority granted to that agency by section 102(d) of the National Security Act of 1947 (50 U.S.C. 403(d)). Section 102(d) provides that it shall be the duty of CIA, under NSC direction, to perform services of common concern for the benefit of existing intelligence agencies and to perform "such other functions and duties relating to intelligence affecting the national security as the National Security Council may from time to time direct."

The proposed reliance upon the Economy Act and the National Security Act, neither of which contains any explicit reference to arms transfers, gives rise to the question of whether the Arms Export Control Act, which contains a comprehensive framework of policy guidance, substantive authorities (and limitations of authority), and procedures specifically addressed to international sales of arms by the United States is a preemptive statute which, by implication, precludes reliance upon the more general authorities of DOD and CIA.

*Footnote con't

Determination No. 79-6 of March 7, 1979, 44 Fed. Reg. 18633). That single instance provoked intense Congressional interest. See Hearings on Proposed Arms Transfers to the Yemen Arab Republic before the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee, 96th Cong., 1st Sess. (1979). Any future determination under section 36(b) would require publication of a notice in the Federal Register under section 654(c) of the FAA (22 U.S.C. 2414(c)). Such a publication would obviously be incompatible with the covert nature of the proposed transaction.

~~UNCLASSIFIED~~

UNCLASSIFIED

N 10025

- 5 -

It seems clear that Congress has not regarded the FAA and the AECA as an exclusive body of law fully occupying the field with respect to U.S. arms transfers. There are several illustrations where Congress, having been made aware of transfers to foreign countries outside that body of specific authorities, has reacted by enacting limited restrictions or reporting requirements rather than by prohibiting such transfers altogether.

One set of examples involves DOD's authority to lease non-excess property "not for the time needed for public use" (10 U.S.C. 2667). When Congress considered the previous use of that authority to transfer small naval vessels to foreign countries it amended 10 U.S.C. 7307 to impose new reporting requirements. See P.L. 93-365, § 702, 88 Stat. 403 (1974). Similarly, when Congress considered the use of this leasing authority to transfer helicopters to El Salvador in 1980 it established a new reporting requirement covering all major leases to foreign governments. See P.L. 96-533, § 109, 94 Stat. 3137 (1980). However, it did not challenge the lawfulness of previous transfers by lease or prohibit such transfers in the future.

More directly in point are the examples of Congressional action with respect to covert arms transfers conducted by CIA. These include section 513(b) of the FAA (22 U.S.C. 2381 f(b)) enacted in 1974 and precluding non-FAA or AECA funding for military assistance to Laos; section 662 of the FAA (21 U.S.C. 2422), also enacted in 1974 and requiring Presidential approval of and reports to Congress on CIA "operations in foreign countries other than activities intended solely for obtaining necessary intelligence";* and section 404 of P.L. 94-329, 90 Stat. 757) enacted in 1976 and prohibiting assistance for military or paramilitary operations in Angola. All of these statutes were enacted against a background of

*The reporting requirements of section 662 were superseded by section 407 of P.L. 96-459, 94 Stat. 1981 (1980), which added a new section 501 to the National Security Act of 1947, entitled "Congressional Oversight" (50 U.S.C. 413).

**Section 404 was superseded in 1980 by section 118 of P.L. 96-533, which reenacted the 1976 prohibition with minor changes (22 U.S.C. 2293 note).

UNCLASSIFIED

~~SECRET~~
UNCLASSIFIED

covert actions, including arms transfers. Although the language in the relevant committee reports is rather circumspect in this regard, the legislative history of the prohibition on assistance to Angola is especially instructive. That prohibition was amended in the committee of conference to add the words "notwithstanding any other provision of law." The reason for this amendment was explained in the conference report as being "to make clear that the prohibition on security assistance [i.e., arms transfers] is not limited solely to assistance furnished pursuant to this Act." H.P. Rep. No. 94-1913, 94th Cong. 2d Sess., p.70 (1974). The reference to "this Act" meant the International Security Assistance And Arms Export Control Act of 1976 (P.L. 94-329, 90 Stat. 729), which amended extensively both the FAA and the AECA. Moreover, the prohibition was enacted as a companion to the so-called "Tunney amendment" to the FY1976 DOD Appropriation bill (H.R. 9861, 94th Cong. 1st Sess. (1975). That amendment deleted funds intended for use by CIA to provide covert military assistance, including arms transfers, in Angola. See debates at 121 Cong. Rec. 40872-40873, 41196-41212, 41564, 41617-41623 (1975).

The CIA General Counsel advises that, since the enactment in 1974 of the above-described legislation on reports to Congress of covert actions, several reports have been made of covert actions involving arms transfers to foreign countries by CIA and Congress has acquiesced in such transfers. This fact, together with the above-discussed record of limited Congressional action to deal with international arms transfers made in the past outside the framework of the security assistance laws, provides a sound legal basis for concluding that the AECA is not an exclusive authority for arms sales to foreign governments.

There remains, however, a difficult issue of judgment that is presented because of the amount of this particular transfer, the nature of the equipment, and the controversial character of the intended recipient. I am unaware of any covert arms transfer in recent years which has so directly confronted the central purpose of the Arms Export Control Act that large transfers of major defense equipment to volatile regions such as [redacted] should be carried out under effective policy guidance from the Congress, with careful Executive Branch deliberations encouraged by the need to subject their outcome to Congressional review. See S. Rep. No. 94-605, 94th Cong., 2d Sess., pp. 4-8 (1976). While the Arms Export Control Act is not an exclusive statutory authority, it surely was intended to be the primary basis

~~SECRET~~
UNCLASSIFIED

UNCLASSIFIED

N 10027

for international arms transfers. Other authorities have been invoked only as exceptions to this generally applicable law and have not been treated as complete alternatives. At some point, the use of an exceptional authority would defeat the purpose of the generally applicable legislation.

In the absence of a clear line drawn by Congress, I believe the President has the discretion to decide that this case is not a circumvention of the law in view of its primary intelligence collection objective, the high priority attached to the particular objective here involved, and the practical impossibility of using the at least partially open procedure of the Arms Export Control Act. However, if the President were to make such a judgment, and if the transaction were later to become public

it would be difficult to defend publicly the legal rationale for proceeding in the manner proposed if it also continued to be necessary to keep secret the specific intelligence objective that motivated the transfer and the extraordinary value of that objective.

Should there result a belief in Congress that the President had exceeded the bounds of permissible exceptions to the Arms Export Control Act, the legal consequences would be of a legislative character. A criminal prosecution would be unlikely since export licensing requirements do not apply to exports by government agencies for carrying out programs authorized by law and subject to the President's control (see 22 U.S.C. 2778(b)(2)). Presumably, a decision to go forward would proceed on the basis that CIA's authority, although unclear, is sufficient. A civil action against Government officials challenging the legality of the transfer would seem unlikely to prosper given the political character of the questions presented. However, there would seem to be a genuine risk of new legislation to prohibit arms transfers outside the Arms Export Control Act and Foreign Assistance Act. If enacted, such legislation could be a serious impediment to the relatively small but nevertheless important covert transfers that CIA is presently able to carry out.

UNCLASSIFIED

UNCLASSIFIED~~SECRET~~

- 8 -

N 10028

Conclusion

Although the matter is not entirely free from doubt, I believe (and the General Counsels of DoD and CIA concur) that the President has the discretionary authority to proceed with the proposed activity under the National Security Act of 1947. To do so would present legal risks, chiefly that Congress might challenge his decision and enact new, restrictive legislation.

If the President decides to proceed, reports to the

UNCLASSIFIED

UNCLASSIFIED
~~SECRET SENSITIVE~~

N 10029

- 9 -

Intelligence and Armed Services Committees of Congress would be necessary. In addition, it might help to reduce the risk of an adverse legislative reaction if the chairmen of the House Foreign Affairs and Senate Foreign Relations Committees were informed.

Davis R. Roninson

UNCLASSIFIED
~~SECRET SENSITIVE~~

1875

[Faint, illegible text block]

[Faint, illegible text block]

1875

CHAPTER 10. THE DIVERSION

THE DOCUMENTS CITED IN THESE FOOTNOTES ARE
AVAILABLE FROM PUBLIC SOURCES.



CHAPTER 11. THE DISCLOSURE AND THE UNCOVERING

THE DOCUMENTS CITED IN THESE FOOTNOTES ARE
AVAILABLE FROM PUBLIC SOURCES.



CHAPTER 12. THE NSC'S ROLE IN INVESTIGATIONS

Chapter 5 Fact ^{6/11/86} _{Sec. 109}

UNCLASSIFIED

12-23

TELETYPE (Hand carry)

6/11/86

FROM SAC, WASHINGTON FIELD OFFICE [REDACTED] (C) (CI-9)

TO DIRECTOR, FBI ROUTINE

ATTN: INTELLIGENCE DIVISION, SSA LARRY CORDELL

BT

~~SECRET~~

F B 297

NICARAGUAN ACTIVE MEASURES PROGRAM DIRECTED AGAINST
LIEUTENANT COLONEL OLIVER NORTH/NATIONAL SECURITY COUNCIL;

OO:WFO

ALL MARKINGS, NOTATIONS AND ITEMS OF INFORMATION CONTAINED
IN THIS COMMUNICATION ARE CLASSIFIED "SECRET" UNLESS OTHERWISE
NOTED.

RE WFOTEL TO FBIEQ, DATED 5/26/86, CAPTIONED "RUFUJI;
PCI-NU; OO:WFO".

WFO HAS REVIEWED THE STATUS OF CAPTIONED INVESTIGATION
AS WELL AS ANALYZED THE INFORMATION PROVIDED BY LIEUTENANT
COLONEL NORTH AND HAS SUBSEQUENTLY CORRELATED THE INFORMATION

SECRET

2 WFO
3 Bureau
REA:ojc
(5)

V-34

DE-145

[REDACTED]

1/20/88

5/1/86

117 DEC 18 1986

4338

UNCLASSIFIED

17 JUL 2 1987

11-23

PAGE TWO DE WF 0028

UNCLASSIFIED

F B

2977

AGAINST SPECIFIC CONTRA VOTE DATES PROVIDED BY FBIHQ CONGRESSIONAL LIAISON. THROUGH WFO'S INVESTIGATION, IT HAS BEEN DETERMINED THAT THERE IS A DEFINITE ASSOCIATION BETWEEN THE DATES OF THE CONGRESSIONAL VOTES ON CONTRA AIDE TO THE NICARAGUAN REBELS AND THE "ACTIVE MEASURES" BEING DIRECTED AGAINST LIEUTENANT COLONEL NORTH. IN ADDITION TO THE ABOVE, WFO HAS OBTAINED A COPY OF A CIVIL COMPLAINT TAKEN IN THE SOUTHERN DISTRICT OF FLORIDA FILED ON MAY 29, 1986 AND ON REVIEW HAS DETERMINED THAT THE CIVIL COMPLAINT MAY BE YET ANOTHER ACTIVE MEASURES PROGRAM PRIOR TO THE JUNE 19, 1986 CONTRA AIDE VOTE. AS IN THE PAST, THE ACTIVE MEASURES CIVIL SUIT IS DIRECTED AT NORTH, AND SPECIFIC CHARGES IN THE CIVIL COMPLAINT MAY BE DROPPED IF THE CONTRA VOTE FAILS IN THE U.S. CONGRESS. THE CIVIL COMPLAINT NAMES NUMEROUS INDIVIDUALS WHICH ARE PRESENTLY AIDING THE CONTRA EFFORT UNDER COLONEL NORTH'S DIRECTION. THE PURPOSE OF THE CIVIL COMPLAINT MAY BE TO DISCLOSE THE IDENTITY AND METHODS, THROUGH THE USE OF THE U.S. COURT SYSTEM, OF PERSONS IN SUPPORT OF THE CONTRA VOTE. THE ABOVE INFORMATION WITH

UNCLASSIFIED

UNCLASSIFIED

PAGE THREE DE WF 0028 S

RESPECT TO THE CIVIL SUIT IS AN OBSERVATION.

F B

2979

ON JUNE 3, 1986, WFO MET WITH COLONEL NORTH IN ORDER TO OBTAIN ADDITIONAL INFORMATION WHICH MAY ASSIST IN ADDING MORE INFORMATION OF INVESTIGATIVE VALUE TO REFERENCED COMMUNICATION. AT THIS MEETING NORTH EXPRESSED GREAT CONCERN THAT INFORMATION HE HAD PREVIOUSLY PROVIDED HAD NOT BEEN ACTED UPON BY WFO. IT SHOULD BE POINTED OUT THAT WFO HAD NO SPECIFIC INSTRUCTIONS OTHER THEN THOSE INSTRUCTIONS RECEIVED BY SA DAVID BEISNER IN A MEETING WITH DEPUTY ASSISTANT DIRECTOR PHIL PARKER AND UNIT CHIEF JIM EGBERS. IN THE ABOVE MEETING, WFO WAS TO TAKE NO SPECIFIC INVESTIGATIVE STEPS INTO ALLEGATIONS OF ACTIVE MEASURES DIRECTED AGAINST NORTH.

NORTH EXPRESSED SPECIFIC CONCERN AS TO WHY NO ACTION HAS BEEN TAKEN REGARDING THE FOLLOWING:

1. NO INTERVIEW OF [REDACTED] CENTRAL INTELLIGENCE AGENCY (CIA), IN ORDER TO OBTAIN ANALYTICAL ASSISTANCE AND INFORMATION CONCERNING ACTIVE MEASURES CAMPAIGN.
2. LACK OF CONTACT WITH NATIONAL SECURITY OFFICER FRED COLCON FOR ANY INFORMATION CONCERNING DRUG CHARGES

UNCLASSIFIED

SECRET

PAGE FOUR DE WF 0028 S E C
 LEVELED AGAINST NORTH.

UNCLASSIFIED

3. NO INTERVIEW OF DANIEL SHEEHAN OF THE ^FCHRISTIE ^B
 INSTITUTE CONCERNING THE SOURCE OF ALLEGATIONS HE PROVIDED
 AGAINST NORTH. 2910

4. NO CONTACT OR INTERVIEW WITH LEONARD DOWNING OF
 THE WASHINGTON POST CONCERNING THREATENING TELEPHONE
 CALLS HE ALLEGEDLY RECEIVED FROM LIEUTENANT COLOMEL NORTH.

5. NO REVIEW OF ANY CHARGES PLACED BY SENATOR KERRY
 AGAINST NORTH, NOR ANY ATTEMPT TO OBTAIN THE INFORMATION
 PRESENTLY AT THE DEPARTMENT OF JUSTICE (DOJ) INVOLVING
 SENATOR KERRY'S ALLEGATIONS.

6. NO INTERVIEW OR CONTACT OF SENATOR DURENBERGER AND
 HAMILTON CONCERNING THE SOURCE OF CHARGES THEY BROUGHT
 AGAINST COLOMEL NORTH IN AUGUST, 1985.

7. NO INVESTIGATION BEING CONDUCTED WITH THE
 METROPOLITAN POLICE DEPARTMENT (MPD) IN ORDER TO CHECK THE
 NUMBER OF VANDALISM INCIDENCES ON THE ELLIPSE IN WASHINGTON,
 D.C. DURING AUGUST AND SEPTEMBER, 1985, WHEREIN NORTH'S
 PERSONAL VEHICLE WAS VANDALIZED. NO EFFORT HAS BEEN

SECRET

UNCLASSIFIED

PAGE FIVE DE WF 0028 S

MADE TO DETERMINE IF NORTH'S VEHICLE WAS THE SOLE TARGET
OF ANY VANDALS DURING THAT PERIOD.

F B

2901

AT THE SAME MEETING, NORTH EXPRESSED FURTHER CONCERN
THAT HE MAY BE TARGETED FOR ELIMINATION BY ORGANIZED CRIME
DUE TO HIS ALLEGED INVOLVEMENT IN DRUG RUNNING IN VIEW OF
THE MURDER ON FEBRUARY 17, 1986 OF A DRUG ENFORCEMENT
ADMINISTRATION (DEA) AGENT STEELE, ON THE DATE PRIOR TO
STEELE'S TESTIFYING AGAINST THE SANDINISTA DRUG INVOLVEMENT.

BASED ON THE ABOVE, AND THE RESTRAINTS PLACED ON WFO
WITH RESPECT TO ANY FURTHER INVESTIGATION, WFO IS PLACING
THIS MATTER IN A CLOSED STATUS FOR THE FOLLOWING REASONS:

ALTHOUGH THE ALLEGATIONS MADE BY LIEUTENANT COLONEL
NORTH MAY BE THE RESULT OF AN ACTIVE MEASURES PROGRAM
DIRECTED PRIMARILY AGAINST THE REAGAN ADMINISTRATION'S
EFFORT TO SECURE 100 MILLION DOLLARS IN MILITARY AIDE TO THE
CONTRA, AND SPECIFICALLY DIRECTED AGAINST LIEUTENANT COLONEL
NORTH, AS THE ADMINISTRATION'S PRINCIPAL AGENT IN SUPPORT
OF THE CONTRA, WFO IS UNABLE TO RESOLVE THE IDENTITY OF THE
ORIGINATOR OF THESE ACTIVITY MEASURES. FURTHER, WFO HAS NO
PREDICATION INTO THIS INVESTIGATION.

UNCLASSIFIED

UNCLASSIFIED

PAGE SIX DE WF 0028 S E C R E T

IF FBIHQ REQUIRES ANY FURTHER ACTION BY WFO, WFO IS REQUESTING SPECIFICS REGARDING ANY FURTHER INVESTIGATION AND IS REQUESTING THAT THIS INFORMATION BE SET FORTH ALONG WITH APPROPRIATE INVESTIGATIVE ASSISTANCE.

CLASSIFIED BY: 2327; DECLASSIFY ON: OADR

F B

2902

BT

#0028

NNNN

UNCLASSIFIED

UNCLASSIFIED

N 12602

[one page]
of 9/17/86 18:44:36 merge
Deleted

5-12-87

599

Partially Declassified / Released on ~~11/18/87~~
under provisions of E.O. 12356
by B. Reiger, National Security Council

UNCLASSIFIED

CHAPTER 13. THE NEED TO PATCH LEAKS

THE DOCUMENTS CITED IN THESE FOOTNOTES ARE
AVAILABLE FROM PUBLIC SOURCES.

CHAPTER 14. RECOMMENDATIONS

THE DOCUMENTS CITED IN THESE FOOTNOTES ARE
AVAILABLE FROM PUBLIC SOURCES.

ADDITIONAL VIEWS OF
HONORABLE PETER W. RODINO, JR.,
HONORABLE DANTE B. FASCELL, VICE CHAIRMAN,
HONORABLE JACK BROOKS,
AND HONORABLE LOUIS STOKES

Ex. 3

CLASSIFIED AT TIME OF PUBLICATION.

Ex. 4

CLASSIFIED AT TIME OF PUBLICATION.

Ex. 5

CLASSIFIED AT TIME OF PUBLICATION.

Ex. 11

UNCLASSIFIED

MIC824 0080209Z

OO HQ LA BH MO NO

DE MM

O 0080209Z JAN 85

FM MIAMI (2-6961) (P)

TO DIRECTOR IMMEDIATE

LOS ANGELES (2-414) IMMEDIATE

BIRMINGHAM IMMEDIATE

HOUSTON IMMEDIATE

NEW ORLEANS IMMEDIATE

BT

UNCLAS

Declassified/Released on *[Signature]*
under provisions of E.O. 12958
/ 2, Reagan, Executive Order 12958

4389

2-211

ATTN: CRIMINAL INVESTIGATIVE DIVISION, TERRORISM SECTION JIM ADAIR;
NEUTRALITY MATTERS - NICARAGUA; OO: HOUSTON

IN REFERENCED TELETYPE, THE L.A. DIVISION REPORTED THAT LARRY
SPIVEY, TELEVISION PRODUCER, STATED THAT THOMAS VINCENT POSEY, (X)
JACK TERRELL (X), AKA EL PLACD AND POSSIBLY (X) JOSE COBRINCO, A
CUBAN BUSINESSMAN RESIDING IN MIAMI, WERE BEING READY TO TRAVEL

[REDACTED] TO TAKE PART IN SOME TYPE OF "BANDONED" PARTY ACTION
AGAINST NICARAGUA. SPIVEY IS INTERESTED IN TOING A "HUMAN INTEREST"
STORY ON POSEY WHO WAS TRAVELING TO [REDACTED] TO VISIT
"CONTRAS" AND AN "OFFICIAL" [REDACTED]

[Handwritten signature]

2-211-3
SEARCHED INDEXED
SERIALIZED FILED
JAN 07 1985
FBI - HOUSTON

UNCLASSIFIED

PAGE TWO MM (2-696) UNCLAS

OFFER TO DO HIS STORY BUT HE (POSEY) DID NOT RESPOND; SUBSEQUENTLY, JIM ADAIR, WHO WRITES FOR "EAGLE'S MAGAZINE" WHICH IS A LOW-GRADE SOLDIERS OF FORTUNE MAGAZINE CALLED SPIVEY FROM HOUSTON, TEXAS AND OFFERED HIM THE RIGHTS TO AN ACTION THAT PRIVATE U.S. CITIZENS WERE TO CARRY OUT AGAINST NICARAGUA ON JANUARY 4, 1985.

ON JANUARY 5, 1985, SPIVEY CONTACTED THE I. A. DIVISION FROM MIAMI, FLORIDA, STATING THAT POSEY AND SEVERAL OTHERS WERE CHECKED IN AT A HOWARD JOHNSON'S MOTEL IN MIAMI AND WERE PLANNING TO LEAVE [REDACTED] ON JANUARY 7, 1985. FLIGHT DEPARTURE.

ON JANUARY 6, 1985, LARRY SPIVEY, 15050 SHERMAN WAY, CALIFORNIA 91426, UNIT 197, TELEPHONE NUMBER (818) 981-7555, ADVISED THAT POSEY FOUNDED THE CIVILIAN MILITARY ASSISTANCE (CMA), AN ORGANIZATION BASED IN HUNTSVILLE, ALABAMA, WHICH HAD TWO MEMBERS DOWNED IN A HELICOPTER INCIDENT NEXT TO THE NICARAGUAN BORDER. SPIVEY STATED THAT POSEY IS A WELL-MEANING EX-MARINE WHO WANTS TO DEFEAT COMMUNISM BUT NOT BY "KILLING PEOPLE." HE SAID THAT HE HAS BEEN HELPING THE "CONTRAS" [REDACTED] WITH TRAINING AND WEAPON SUPPLIES.

SPIVEY STATED THAT [REDACTED] WHOSE NAME WAS [REDACTED] TO

UNCLASSIFIED

UNCLASSIFIED

PAGE THREE MM (2-596) UNCLAS
 RE JACK TERRELL, JOINED THE CMA AND GAVE POSEY \$30,000. TERRELL IS SUPPOSED TO BE AN EX-MARINE COLONEL AND ACCORDING TO SPIVEY IS UNSTABLE AND COULD JEOPARDIZE U.S. INTERESTS IN CENTRAL AMERICA.

SPIVEY ADVISED THAT POSEY IS A SINCERE AND HONEST LOYAL AMERICAN WHO WOULD BE WILLING TO FULLY COOPERATE WITH THE U.S. GOVERNMENT, BUT IS NAIVE AND COULD BE COMPROMISED IF NOT DIRECTED.

JOSE COUTIN, 3311 N. 4TH STREET, TELEPHONE [REDACTED] ADVISED HE IS THE REPRESENTATIVE OF THE CMA IN THE MIAMI AREA. HE STATED HE WAS PLANNING TO GO [REDACTED] ON JANUARY 7, 1965, WITH POSEY AND EL FLACO, WHO HE KNEW WAS JACK TERRELL, BUT WAS NOT SURE WHETHER HE (COUTIN) COULD MAKE THE TRIP BECAUSE HE LACKED THE FUNDS. HE STATED THAT THEY WERE SUPPOSED TO LEAVE MIAMI INTERNATIONAL AIRPORT AT 2:00 P.M. AND ARRIVE AT COSTA RICA AT 3:00 P.M., BUT HAD NONE OF THE DETAILS REGARDING THE DEPARTURE BECAUSE HE HAD NOT MADE THE RESERVATIONS AND DID NOT KNOW WHO HAD. COUTIN SAID THEY PLANNED TO TRAVEL [REDACTED] TO INSPECT THE TERRAIN IN ORDER TO SET UP A TRAINING CAMP THERE. NO RESERVE OF AMMUNITION WERE TO BE TAKEN OUT BY THE U.S. STATES.

COUTIN ADVISED [REDACTED] TO SPAN TO AERIAL [REDACTED] IN AN ATTEMPT TO [REDACTED] OF THE ORGANIZATIONS WHO ARE

UNCLASSIFIED

PAGE FOUR AM (2-596)

COMBATING SANDINISTA FORCES IN NICARAGUA. COUTIN STATED THEY WERE SUPPOSED TO STAY [REDACTED] FOR ONE WEEK.

COUTIN ADVISED HE DID NOT KNOW WHERE TERRELL LIVES, BUT STATED HE CAN REACH HIM THROUGH TELEPHONE NUMBER [REDACTED] WHICH IS LOCATED IN ALABAMA.

COUTIN ADVISED HE CONTACTED POSEY BY TELEPHONE RIGHT AFTER THE HELICOPTER CRASH IN NICARAGUA AND EXPRESSED HIS SOLIDARITY FOR HIS CAUSE. DURING NOVEMBER OF 1984, POSEY CAME TO MIAMI AND COUTIN MET HIM PERSONALLY, PLEDGING HIS COOPERATION. THEY INITIALLY HOPED TO SEND 7 TO 8 INSTRUCTORS [REDACTED] EVENTUALLY REACHING A TOTAL OF 28. THESE INSTRUCTORS WILL TEACH THE "CONTRAS" [REDACTED] MAINTENANCE OF WEAPONS, GUERRILLA WARFARE TACTICS, FIRST-AID, ETC. NONE OF THE INSTRUCTORS WERE TO BECOME INVOLVED IN THE ACTUAL FIGHTING.

ON JANUARY 6, 1985, THOMAS VINCENT POSEY ADVISED HE WAS PLANNING TO TRAVEL [REDACTED] ON JANUARY 8, 1985, WITH JOE WILLIAMS AND JACK TERRELL, AKA EL FLACO. TERRELL IS A FORMER MARINE MAJOR AND WILLIAMS, A FORMER PAN AMERICAN SHOOTING CHAMPION AND MARINE WHO WAS BORN IN ST. LOUIS, MISSOURI. POSEY BELIEVES THAT TERRELL MADE THE TRAVEL ARRANGEMENTS. THEY WERE SUPPOSED TO LEAVE THE MIAMI INTERNATIONAL AIRPORT AT 8:00 AM, ON JANUARY 7, 1985, EN ROUTE TO

UNCLASSIFIED

UNCLASSIFIED

PAGE FIVE (2-696) UNCLAS

AND FROM THERE TRAVEL TO [REDACTED] (CHECK WITH MIAMI INTERNATIONAL AIRPORT INDICATED THAT TAN AIRLINES HAD A FLIGHT FROM MIAMI TO [REDACTED] WHICH DEPARTED AT 6:25 A.M. JANUARY 7, 1985.)

POSEY STATED THAT THE REASON FOR THE TRIP [REDACTED] WAS TO BRING TOGETHER ALL OF THE "CONTRA" ORGANIZATIONS ACTIVELY COMBATING SANDINISTA FORCES. POSEY STATED THAT THE MAIN GROUPS WHICH ARE ACTIVE ARE: FDN, ARDE, AND THE MESQUITOS. HE STATED THAT ARDE IS IN DISARRAY AND THAT EDEB PASTORA IS AN INEFFECTIVE LEADER. HE SAID THAT STEADMAN FAGOTH IS A GOOD LEADER WHO WILL FIGHT WITH HIS TROOPS AND STATED THAT ADOLFO CALERO IS JUST ANOTHER POLITICIAN WHO IS NOT LIKED BY HIS PEOPLE.

POSEY CONTENDED THAT HIS MAIN OBJECTIVE [REDACTED] WAS TO TRAIN THE "CONTRAS." HE ADVISED THEY WERE NOT PLANNING TO TAKE ANY WEAPONS FROM THE UNITED STATES [REDACTED] AND WHILE THERE, THEY WOULD ONLY CARRY A SIDE ARM FOR PERSONAL PROTECTION.

POSEY ADVISED HE FIRST MET JOSE COUTIN A MONTH AND ONE HALF AFTER THE DOWNING OF THE HELICOPTER IN NICARAGUA AND THE DEATH OF JIM DANA. COUTIN BECAME THE PRESIDENT OF THE MIAMI CHAPTER OF THE CMA. TO DATE, THE ORGANIZATION HAS ONLY BEEN ABLE TO RAISE \$2,500.

UNCLASSIFIED

UNCLASSIFIED
 PAGE SIX AM (2-696) TWO

POSEY STATED THAT HIS ORGANIZATION CONSISTS OF 10 TO 12 PEOPLE. THEY HAVE NO POLITICAL AMBITION, BUT WISH TO HELP IN CENTRAL AMERICA AND WOULD NOT DO ANYTHING TO VIOLATE U.S. NEUTRALITY LAWS. POSEY ALSO SAID HE DID NOT WISH TO DO ANYTHING WHICH WOULD JEOPARDIZE U.S. INTERESTS IN THAT AREA. POSEY CONTENDED THAT ADOLFO CALERO PROMISED HIM A TRAINING BASE TO OVERTHROW FIDEL CASTRO ONCE NICARAGUA WAS FREED FROM THE SANDINISTAS.

POSEY ADVISED THAT PABLO DANIEL ORTEGA, WHO RESIDES IN WOXSTON, TEXAS, DONATED TWO CESSNAS 172 WITH MEXICAN REGISTRY. EACH PLANE CAN CARRY FROM 400 TO 600 POUNDS OF SUPPLIES PLUS THE PILOT. ORTEGA AND AN ASSOCIATE OF HIS WHO WORKS FOR U.S. CUSTOMS PLANS TO FLY THESE PLANES [REDACTED] WHICH WOULD BE USED TO SUPPLY THE "CONTRAS" WITH FOOD AND MEDICAL SUPPLIES.

* POSEY STATED THAT [REDACTED] HE WAS SUPPOSED TO MEET WITH A JOHN HALL, AN AMERICAN, WHO HAS A RANCH THERE AND IS ASSISTING THE "CONTRAS." POSEY WAS PLANNING TO PUT HALL IN CONTACT WITH LEADERS OF REBEL FORCES. POSEY STATED THAT HE AND JACK ZERRELL WERE QUESTIONED IN NEW ORLEANS BY THE FBI REGARDING THEIR ACTIVITIES IN CENTRAL AMERICA.

UNCLASSIFIED

UNCLASSIFIED
 O
 PAGE SEVEN NO. 12-696, UNCLAS

POSEY PROVIDED HIS OWN BACKGROUND INFORMATION:

NAME - THOMAS VINCENT POSEY, WHITE MALE, DOB JUNE 5, 1946, POB HUNTINGTON, WEST VIRGINIA; HEIGHT 5 FEET, HAIR LIGHT BROWN, EYES BLUE; BUILD MEDIUM; SSAN [REDACTED]

[REDACTED] AND 33-8191 (BUSINESS).

ON JANUARY 7, 1985, POSEY TELEPHONICALLY CONTACTED AN FBI AGENT ASSIGNED TO THE MIAMI DIVISION AND STATED THAT JOHN HALL AND HIS RIGHT-HAND MAN, MARIO (LNU) HAD ARRIVED IN MIAMI AND WERE ATTEMPTING TO GET MARIO CALERO TO SEPARATE FROM HIS BROTHER, ADOLFO, IN ORDER TO ESTABLISH A SOUTHERN FRONT. [REDACTED] HALL SAID HE COULD INFLUENCE EDEN PASTORA TO WORK WITH THEM. TERRELL WAS INSTIGATING THE DEVELOPMENT OF ABOVE-DESCRIBED SCENARIO. POSEY STATED HE WOULD CONTINUE TO REPORT TO THE FBI NEW DEVELOPMENTS.

REQUEST OF THE BUREAU: FBI HEADQUARTERS IS REQUESTED TO DISSEMINATE ABOVE INFORMATION TO OLIVER NORRIS, NATIONAL SECURITY COUNCIL, WHITE HOUSE.

BIRMINGHAM AT HUNTSVILLE, ALABAMA: POSEY STATED HE HAS BEEN PREVIOUSLY CONTACTED BY FBI AGENT GUYRNE L. HUPPER, WHOM HE TRUSTS. IT IS REQUESTED THAT SA HUPPER MAINTAIN CONTACT WITH POSEY.

UNCLASSIFIED

UNCLASSIFIED

E PAGE EIGHT MM C2-6961 UNCLAS

IN ORDER TO DEVELOP MM AS A POSSIBLE SOURCE.

NEW ORLEANS AT NEW ORLEANS. REPORT RESULTS OF INVESTIGATION
REGARDING [REDACTED] TO ALL INTERESTED OFFICES.HOUSTON AT HOUSTON, TEXAS. LOCATE AND INTERVIEW JIM ADAM AND
PABLO DANIEL ORTEGA. THROUGH ORTEGA, IDENTIFY PILOT WHO ALLEGEDLY
WORKS FOR U.S. CUSTOMS.

BT

UNCLASSIFIED

Ex. 12

**UNCLASSIFIED**

U.S. Department of Justice

Federal Bureau of Investigation

Office of the Director

Washington, D.C. 20535

April 22, 1987

Honorable David L. Boren
 Chairman, Senate Select Committee
 on Intelligence
 United States Senate
 Washington, D. C.

Dear Mr. Chairman:

In a recent conversation with Assistant Director William M. Baker, Sven Holmes and other members of your Committee staff requested that we respond to allegations made in the April 20, 1987, issue of Newsweek and the April 15, 1987, issue of the Philadelphia Inquirer that the FBI furnished documents about Contra activities to Lieutenant Colonel Oliver North.

The results of an internal inquiry into this matter by the FBI are furnished in the attached memorandum.

Please don't hesitate to contact me if I can be of any further assistance.

Sincerely,

William H. Webster
 Director

by Anthony C. Danesh

Enclosure

For Declassified/Released on 4/20/88
 under provisions of E.O. 12958
 J. B. Reger, National Security Council
 UNCLASSIFIED

UNCLASSIFIED

4292



UNCLASSIFIED

JIM ADAIR
NEUTRALITY MATTERS - NICARAGUA

In response to reports appearing in the April 20, 1987, issue of Newsweek and the April 15, 1987, Philadelphia Inquirer, alleging the FBI furnished LTC Oliver L. North with documents about Contra activities, an internal inquiry was instituted by FBI Headquarters (FBIHQ).

Basis for captioned investigation

A review of available information reveals that on December 28, 1984, the U.S. Department of State (USDS) advised the FBI they received a call on December 21, 1984, from Larry Spivey who said he was producing a television documentary entitled "Victims for Victims" which would deal with American citizen military involvement in Nicaragua. According to the USDS, Spivey had information concerning the plans of a group of private American citizens who were planning a "dramatic action" against the Government of Nicaragua. The person mentioned by Spivey as the source of his information was one Jim Adair of Houston, Texas. The Civilian Military Assistance (CMA) Group, located in Alabama, was also mentioned by Spivey during his recitation of events dealing with possible actions against the Government of Nicaragua.

In response to the above USDS report, the FBI, after receiving authorization from the U.S. Department of Justice (DOJ), instituted a Neutrality Act investigation. A teletype was transmitted to Los Angeles, FBI, on December 28, 1984, requesting the interview of Larry Spivey. Houston, FBI, was requested to check the name Jim Adair through their office indices and to initiate appropriate agency checks. In addition, the above information was also furnished to the FBI in Birmingham, Alabama, inasmuch as CMA was known to be headquartered in Decatur, Alabama.

Investigation by Los Angeles Field Office

On January 5, 1985, Special Agent (SA) Michael N. Boone, Los Angeles, FBI, the investigator assigned to this case, transmitted a teletype to FBIHQ, Birmingham, Houston, and Miami Field Offices reporting that he received a telephone call from

UNCLASSIFIED

UNCLASSIFIED

Spivey who was calling from Florida. Spivey furnished additional details concerning the proposed action in Nicaragua. He named the principal planners as Tom Posey and a man known only to him as Colonel Flaco (phonetic). Spivey related that Posey had informed him that an armed invasion of Nicaragua was to be launched from Costa Rica culminating with the establishment of a provisional government in opposition to the Sandinista regime. He further advised that Posey had met with Adolfo Calero, who was characterized as a leader of the Contra movement.

Spivey commented that he had related much of this information to Oliver North of the National Security Council (NSC). According to Spivey, North was concerned that such an action in Nicaragua could cause serious foreign policy damage and that it was highly likely any poorly organized action would be foiled, resulting in the possible capture of United States citizens in Nicaragua which would be contrary to national policy.

SA Boone contacted by Lt. Col. North

The January 5, 1985, Los Angeles teletype referred to above, noted that SA Boone had been telephonically contacted by Oliver North. North advised he had been in contact with Adolfo Calero who was not in favor of the planned invasion, stating such activities would do extreme damage to the Contra movement. Calero further advised that many of these men were very dangerous and misdirected and that Colonel Flaco was an extreme personality and was moving the group in the wrong direction. Calero advised, according to North, that Colonel Flaco and many of the other participants had weapons, some of which appeared to be illegal. North requested that no mention be made of Calero in connection with this matter due to the sensitive nature of his association with the U.S. Government.

On April 15, 1987, SA Boone was contacted by FBIHQ and requested to recount his discussion with Oliver North concerning this matter. SA Boone recalled he was contacted by Oliver North on or about January 5, 1985. SA Boone commented that he regarded such contact as highly unusual and was not certain at the time that the caller was genuine. In order to confirm his identity, North provided SA Boone with a telephone number and requested that SA Boone recontact him at that number. SA Boone did so and determined that this telephone number was in fact the White House switchboard number. During this recontact, North requested an update of the investigation. North also wanted to confirm that the FBI was investigating this matter, emphasizing that these reported plans regarding Nicaragua were contrary to White House policy. SA Boone was under the impression that North wanted to be certain the FBI was investigating this matter in an effort to interdict the group's activities. North stated he would report any additional information he might receive to the FBI.

UNCLASSIFIED

UNCLASSIFIED

Investigation by FBI Miami

In response to the January 5, 1985, Los Angeles teletype sent by SA Boone, the Miami Field Office contacted Larry Spivey and conducted other investigation in this matter. Additional details concerning the plans of the subjects of this case regarding Nicaragua were established. Posey, and others, were interviewed.

SA George Kiszynski, who was the Miami Agent assigned to this investigation in 1985, advised FBIHQ on April 15, 1987, that he has never directly communicated with LTC Oliver North.

Dissemination to NSC

The Miami Field Office reported the results of its investigation in this case to FBIHQ via teletype on January 8, 1985, with copies to the Los Angeles, Birmingham, Houston, and New Orleans Field Offices. In view of the concern of Oliver North in this matter, which Miami had discerned from the January 5, 1985, Los Angeles teletype, Miami requested the substance of their teletype be relayed to Oliver North of the NSC by FBIHQ.

In addition, a teletype was transmitted to FBIHQ by FBI, Houston, on January 10, 1985, reporting a January 9, 1985, interview of James Bynum Adair of Missouri City, Texas, the subject of this neutrality investigation.

A review of files indicates that the January 8, 1985 Miami teletype and the January 10, 1985 Houston teletype were disseminated to the NSC by FBIHQ Supervisory Special Agent (SSA) John J. Newman.

When questioned about this dissemination on April 15, 1987, SSA Newman advised it was his judgment at the time that the information contained in the two communications could have been of use to the NSC for foreign policy considerations and elected to effect dissemination. SSA Newman stated he could recall no personal contact with Oliver North.

An informative note dated January 8, 1985 summarizing the contents of the Miami teletype of that same date and enclosing a copy of the communication was sent to the Director, who initialed it to the file. The note indicated that the Miami teletype was being disseminated to several Federal agencies including the NSC, without reference to Lt. Col. North.

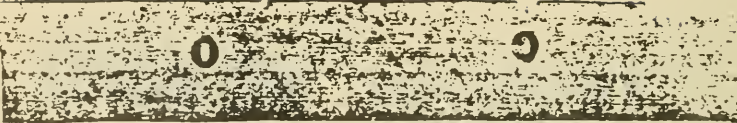
UNCLASSIFIED

UNCLASSIFIED

The neutrality investigation of Jim Adair was closed by the Houston FBI Office on September 12, 1985. A letterhead memorandum dated October 17, 1985 summarizing the results of that investigation was disseminated by FBIHQ to several Federal agencies including the NSC, without reference to Lt. Col. North. SSA Paul Lorzetti, who was then a Supervisor at FBIHQ, advised on April 20, 1985 that he disseminated this document to the NSC because it was consistent with prior handling of communications in this case.

A review of the Adair file at FBIHQ conducted to date has not disclosed any dissemination of communications to the NSC or to Lt. Col. North other than the above described documents.

UNCLASSIFIED



HO 2-211-4
Footnote 15

UNCLASSIFIED

G;

4/20/88

UNCLASSIFIED

4293

OF JAN. 12, 1953, IN WHICH THEY TELEPHONICALLY CONTACTED
BYNNE L. HIPPER AT HIS RESIDENCE IN MOUNT VERNON, AL. SPIVEY INDICATED
HE WAS CALLING FROM WASHINGTON, D.C., AND WAS WITH TOMMY POSEY. SPIVEY
INDICATED THAT IT WOULD BE HIS INTENTION TO TRAVEL TO BEET WITH
POSEY AT THE MOUNT VERNON RESIDENCE IN EARLY FEBRUARY. SPIVEY
PLANNED TO TRAVEL TO MOUNT VERNON, AL. IN EARLY FEBRUARY.
SPIVEY STATED THAT HE HAD BEEN ADVISED BY [REDACTED] THAT
MENTION OF THE TWO INDIVIDUALS IN CONNECTION WITH THE [REDACTED]
OF THE NATIONAL ASSOCIATION OF [REDACTED] SHOULD HAVE BEEN [REDACTED]

UNCLASSIFIED

PAGE THREE UNCLAS BY

SPIVEY ADVISED THAT SOMEONE IN THE ADMINISTRATION FOR (UNCLEAR) HAD ASKED PRESIDENT RONALD REAGAN "WHAT ARE WE GOING TO DO ABOUT TOMMY POSEY", TO WHICH THE PRESIDENT REPLIED "WHAT DO YOU MEAN". ACCORDING TO SPIVEY THIS INDIVIDUAL IN THE ADMINISTRATION THEN ASKED "ARE WE GOING TO PROSECUTE HIM FOR VIOLATION OF THE NEUTRALITY STATUTE TO WHICH PRESIDENT REAGAN REPORTEDLY SAID "NOT WHILE MY ADMINISTRATION IS IN OFFICE." SPIVEY STATED THAT THE PRESIDENT REGARDED POSEY AS A "NATIONAL TREASURE".

SPIVEY INDICATED THAT A FBI ASSISTANT DIRECTOR (NAME NOT KNOWN BY SPIVEY) WAS FOLLOWING THE POSEY CASE CLOSELY.

SPIVEY WAS ASKED HOW HE WAS INVOLVED IN THIS SITUATION AND HE REPLIED THAT HE WAS PLANNING ON PRODUCING A SUICIDE DOCUMENT BY CONFESSING TOMMY POSEY AND THE TRUTH.

SPIVEY ADVISED THAT HE COULD BE REACHED THROUGH TELEPHONE NUMBER (202) 429-1700, EXT. 701, AND THAT TOMMY POSEY WAS STAYING AT A HOLIDAY INN IN WASHINGTON D.C. AND COULD BE REACHED THROUGH TELEPHONE NUMBER (202) 737-1222, ROOM 2009.

SPIVEY CONCLUDED BY SAYING THAT TOMMY POSEY WOULD TELEPHONICALLY CONTACT HIM BEFORE HIS DEPARTURE FROM THE UNITED STATES AND WOULD REPORT.

UNCLASSIFIED

UNCLASSIFIED

PAGE FOUR

UNCLAS

THE ABOVE

BEING PROVIDED TO

INFO OF BRYAN

UNCLASSIFIED

Ex. 17

UNCLASSIFIED

TOP SECRET

Non-Log

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20508

14042

July 17, 1986

TOP SECRET

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

N 45918

FROM: OLIVER L. NORTH

SUBJECT: Terrorist Threat: Terrel

Several months ago, a U.S. citizen named Jack Terrel became an active participant in the disinformation/active measures campaign against the Nicaraguan Democratic Resistance. Terrel's testimony was used in the Avirgan/Honey suit in Costa Rica and has been entered in the Florida law suit against Richard Secord, et al. Terrel has appeared on various television "documentaries" alleging corruption, human rights abuses, drug running, arms smuggling, and assassination attempts by the resistance and their supporters. Terrel has also been working closely with various Congressional staffs in preparing for hearings and inquiries regarding the role of U.S. Government officials in illegally supporting the Nicaraguan resistance.

After the "West 57th" piece by CBS two weeks ago, Project Democracy officials decided to use its security apparatus to attempt to determine how much Terrel actually knows about their operations. One of the security officers for Project Democracy met several times with Terrel and evaluated him as "extremely dangerous" and possibly working for the security services of another country.

This afternoon, Associate FBI Director, Oliver Revell, called and asked for any information which we might have regarding Terrel in order to assist them in investigating his offer to assassinate the President of the United States.

[REDACTED] The FBI now believes that Terrel may well be a paid asset of the Nicaraguan Intelligence Service (DGSE) or another hostile security service.

Mr. Revell has asked to meet with the Project Democracy security officer who has been meeting with Terrel. A meeting has been arranged for this evening. The FBI has notified the Secret Service and is preparing a counter intelligence/counter-terrorism operations plan for review by OSG-TING tomorrow.

TOP SECRET
Declassify: OADR

TOP SECRET

UNCLASSIFIED

Declassified/Released on 10/11/01
under provisions of E.O. 12335
J. Edgar Hoover, National Security Council

4288

TOP SECRET
 UNCLASSIFIED UNCLASSIFIED

UNCLASSIFIED

N 45919

It is interesting to note that Terrel has been a part of what appears to be a much larger operation being conducted against our support for the Nicaraguan resistance. We have not pursued this investigation -- which includes threatening phone calls to the managing editor of the Washington Post -- because of its political implications. It would now appear that [REDACTED] of Terrel's activities, this may well be much more than a political campaign.

RECOMMENDATION

That you discuss this matter with the Attorney General and the President, as appropriate.

Approve _____

Disapprove *f*

Ollie,

Give me another memo, for the President this time including the results of OSG.

What do you want me to tell AG?

f

UNCLASSIFIED

UNCLASSIFIED UNCLASSIFIED

UNCLASSIFIED
UNCLASSIFIED

UNSECRETED
THE WHITE HOUSE
WASHINGTON

Ex. 18

SYSTEM II
90554

14039

July 28, 1986

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN M. POINDEXTER *JP*
SUBJECT: Terrorist Threat: Terrell

PR N 45E96

Issue

Anti-contra and anti-U.S. activities by U.S. citizen, Jack Terrell.

Background

Several months ago, a U.S. citizen named Jack Terrell became an active participant in the disinformation/active measures campaign against the Nicaraguan Democratic Resistance. Terrell has appeared on various television "documentaries" alleging corruption, human rights abuses, drug running, arms smuggling, and assassination attempts by the resistance and their supporters. Terrell is also believed to be involved with various Congressional staffs in preparing for hearings and inquiries regarding the role of U.S. Government officials in illegally supporting the Nicaraguan resistance.

Terrell was first interviewed by the FBI on March 5, 1986, as a cooperating witness in a neutrality investigation concerning alleged activities of the Civilian Military Assistance (CMA) group -- including weapons and narcotics smuggling, plotting the assassination of the U.S. Ambassador to Costa Rica, Lev Tanba, and bombing his embassy.



Discussion

The Operations Sub-Group (OSG) of the Terrorist Incident Working Group (TIWG) has made available to the FBI all information on Mr. Terrell from other U.S. Government agencies. Various government agencies -- Customs, Secret Service, the Bureau of Alcohol, Tobacco and Firearms -- have information on some of Terrell's activities and the FBI is currently consolidating this information for their investigation.

Declassified/Released on 11/21/87
under provisions of E.O. 12958
of P. Reger, National Security Council

4287

UNCLASSIFIED SECRET UNCLASSIFIED

SECRET

UNCLASSIFIED

SECRET

2

The FBI reports that Terrell went to Miami, coincident with your visit on Wednesday. The FBI, in concert with the Secret Service, has Terrell under active surveillance [REDACTED]

[REDACTED] The FBI has advised that the non-U.S. Government supporters of the Nicaraguan resistance have been particularly helpful in this investigation.

N 45297

It is important to note that Terrell has been a principal witness against supporters of the Nicaraguan resistance both in and outside the U.S. Government. Terrell's accusations have formed the basis of a civil law suit in the U.S. District Court in Miami and his charges are at the center of Senator Kerry's investigation in the Senate Foreign Relations Committee. Since it is important to protect the knowledge that Terrell is the subject of a criminal investigation, none of those with whom he has been in contact on the Hill have been advised.

Prepared by:
Oliver L. North

UNCLASSIFIED

SECRET

SECRET

○

BOSTON PUBLIC LIBRARY



3 9999 06313 362 1

