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# Senate Report

No. 216



IRAN-CONTRA INVESTIGATION  
APPENDIX B, VOLUME 27  
DEPOSITIONS

United States Congressional Serial Set

Serial Number 13768



Report of the Congressional Committees Investigating the

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# Iran-Contra Affair

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Appendix B: Volume 27  
Depositions

**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.



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## United States Senate

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

March 1, 1988

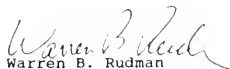
Honorable John C. Stennis  
President pro tempore  
United States Senate  
Washington, D.C.

Dear Mr. President:

We have the pleasure to transmit herewith, pursuant to Senate Resolution 23, Appendix B 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. Inuye  
Chairman

  
Warren B. Rudman  
Vice Chairman





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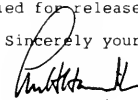
The Honorable Jim Wright  
Speaker of the House  
U. S. Capitol  
Washington, D. C. 20515

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 B to the Report of the Congressional Committees Investigating the Iran-Contra Affair, House Report No. 100-433, 100th Congress, 1st Session.

Appendix B consists of the depositions taken by the Select Committees during the investigation. The contents of Appendix B have been declassified for release to the public.

Sincerely yours,

  
Lee H. Hamilton  
Chairman

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Armitage, Richard.  
Artiano, Martin L.  
Associate DDO (CIA).  
Baker, James A., III.  
Barbules, Lt. Gen. Peter.  
Barnett, Ana.  
Bartlett, Linda June.  
Bastian, James H.  
Brady, Nicholas F.  
Brown, Arthur E., Jr.

## Volume 3

Byrne, Phyllis M.  
Calero, Adolfo.  
Castillo, Tomas ("W").  
Cave, George W.  
C/CATF.

## Volume 4

Channell, Carl R.  
Chapman, John R. (With Billy Ray Reyer).  
Chatham, Benjamin P.  
CIA Air Branch Chief.  
CIA Air Branch Deputy Chief.  
CIA Air Branch Subordinate.  
CIA Chief.  
CIA Communicator.  
CIA Identity "A".

---

## Volume 5

CIA Officer.  
Clagett, C. Thomas, Jr.  
Clark, Alfred (With Gregory Zink).  
Clarke, George.  
Clarridge, Dewey R.  
Cline, Ray S.  
C/NE.  
Cohen, Harold G.

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Collier, George E.  
Cole, Gary.  
Communications Officer Headquarters, CIA.  
Conrad, Daniel L.

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Cooper, Charles J.  
Coors, Joseph.  
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Coward, John C.  
Coy, Craig P.  
Crawford, Iain T.R.

## Volume 8

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Crowe, Adm. William J.  
Currier, Kevin W.  
DCM, Country 15.  
DEA Agent 1.  
DEA Agent 2.  
DEA Agent 3.  
deGraffenreid, Kenneth.  
de la Torre, Hugo.  
Deputy Chief "DC".

## Volume 9

Duemling, Robert W.  
DIA Major.  
Dietel, J. Edwin.  
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Dutton, Robert C.  
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---

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Farber, Jacob.  
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Floor, Emanuel A.  
Former CIA Officer.  
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Newington, Barbara.  
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---

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Walker, William G.  
Watson, Samuel J., III.  
Weinberger, Caspar.  
Weld, William.  
Wickham, John.  
Zink, Gregory (See Alfred Clark).



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# Preface

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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, 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 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 duly 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 these *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

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exhibits are stored with the rest of the Select Committees' documents with the National Archives and Records Administration and are available for public inspection subject to the respective rules of the House and Senate.

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

---

## Publications of the Senate and House Select Committees

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*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.

Appendix D: *Testimonial Chronology*, 3 volumes, 1988.

All publications of the Select Committees are available from the U.S.  
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1 DEPOSITION OF GENERAL MAXWELL R. THURMAN

2 Friday, June 12, 1987

3 United States Senate

4 Select Committee on Secret

5 Military Assistance to Iran

6 and the Nicaraguan Opposition

7 Washington, D. C.

8 Deposition of GENERAL MAXWELL R. THURMAN,  
9 called as a witness by counsel for the Select Committee,  
10 at the offices of the Select Committee, Room SH-901, Hart  
11 Senate Office Building, Washington, D. C., commencing at  
12 3:03 p.m., the witness having been duly sworn by MICHAL  
13 ANN SCHAFFER, a Notary Public in and for the District of  
14 Columbia, and the testimony being taken down by Stenomask  
15 by MICHAL ANN SCHAFFER and transcribed under her  
16 direction.  
17

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## 1 APPEARANCES:

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4 Opposition:

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6 Associate Counsel

7 On behalf of the House Select Committee to  
8 Investigate Covert Arms Transactions with Iran:

9 JOSEPH SABA, ESQ.

10 ROGER KREUZER

11 On behalf of the witness:

12 ROBERT J. WINCHESTER, ESQ.

13 Special Assistant to the Secretary of the Army  
14 for Legislative Affairs

15 COLONEL JOHN WALLACE

16

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1	C O N T E N T S		
2	EXAMINATION ON BEHALF OF		
3	WITNESS	SENATE	HOUSE
4	General Maxwell R. Thurman		
5	By Mr. Saxon	4	
6	By Mr. Saba		9
7	By Mr. Saxon	11	
8	By Mr. Saba		15
9	By Mr. Saxon	16	
10	By Mr. Saba		37
11	By Mr. Saxon	38	
12	By Mr. Saba		49
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16	By Mr. Saba		51
17	By Mr. Saxon	52	
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20	By Mr. Saxon	71	

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## PROCEEDINGS

1  
2 Whereupon,

3 GENERAL MAXWELL R. THURMAN,

4 called as a witness by counsel on behalf of the Senate  
5 Select Committee and having been duly sworn by the Notary  
6 Public, was examined and testified as follows:

## EXAMINATION

8 BY MR. SAXON:

9 Q Would you state your name, please, for the  
10 record, sir?

11 A Maxwell Reid Thurman.

12 Q What is your profession?

13 A I am a military officer.

14 Q What is your rank, sir?

15 A I am a General.

16 Q And your current position?

17 A I am the Vice Chief of the U.S. Army.

18 Q And did you assume that position on 6/22/83?

19 A That's correct.

20 Q And what was your immediate prior assignment?

21 A I was the Deputy Chief of Staff for Personnel  
22 in the U.S. Army.

23 Q I understand you will be relinquishing this  
24 position shortly.

25 A That is correct. On the 22nd I will

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1 relinquish the position. I will assume a new command on  
2 the 29th of June.

3 Q And what command is that, sir?

4 A Command of the Training and Doctrine Command,  
5 United States Army stationed at Ft. Monroe, Virginia.

6 Q General Thurman, during the course of this  
7 deposition I will make reference to the fact that we have  
8 spoken earlier and that you might have told us something  
9 in particular, and for the record I have in mind the  
10 interview that Mr. Kreuzer and Bud Albright of the Senate  
11 staff and I conducted with you on April 17, 1987, with  
12 Colonel John Wallace present.

13 A Very well.

14 Q Let's begin, if we could, by discussing TOW  
15 missiles and how you got involved in what is Project  
16 SNOWBALL or what became known as Project SNOWBALL. And  
17 if you would, sir, just start from day one, which I  
18 believe was January 18, 1986, and correct me if I'm  
19 wrong, and walk us through that involvement.

20 A Okay. I will be happy to do that. As the  
21 Vice Chief of Staff of the Army I'm called upon in the  
22 absence of the Chief of Staff to act as the Chief of  
23 Staff, and on the 18th day of January, 1986, the Chief of  
24 Staff was absent from Washington, so I was acting Chief  
25 of Staff.

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1 Q That is General John Wickham?

2 A That is correct. Now sometime in the morning  
3 of Saturday, 18 January 86, General Colin Powell, who was  
4 at that time the Military Assistant to the Secretary of  
5 Defense, came to see me in my office and he issued me an  
6 instruction, and the essence of that instruction was I  
7 want you to be prepared to ship 1,000 TOW missiles on  
8 short notice and to be prepared to ship another 3,000 to  
9 3,500 TOW missiles subsequent to that.

10 I asked him are the TOW missiles to be with  
11 night sights or launching equipment, or just vanilla TOW  
12 missiles, meaning basic TOW missiles. And he indicated  
13 to me at that time only basic TOW missiles, no night  
14 vision devices and no ground launch or any other kind of  
15 launcher devices.

16 And I said to him, now this is an order and  
17 you are acting as a relay point for the Secretary of  
18 Defense, or words to that effect, and he said yes, I am.  
19 And I said will there be any paper to follow, because  
20 normally we would get requests like that through a system  
21 which we call the [REDACTED] He said there  
22 would not be and that I was to treat that as close hold  
23 material.

24 And then I asked him what would be the time  
25 line, given short notice to ship, and he said anywhere

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1 from 12 to 16 to 72 hours. And I said, I roger your  
2 transmission and he exited the premises.

3 Q Sir, did he tell you from whom he received  
4 this order?

5 A He did not.

6 Q Was there any mention at that time of the  
7 destination of the CIA as the receiving agency?

8 A There was not, to my knowledge.

9 Q Was there mention at that time of the ultimate  
10 destination of Iran?

11 A Absolutely not.

12 Q Was there any mention of Israel as an  
13 intermediary?

14 A Absolutely not.

15 Q Was there any mention at that time of this  
16 requirement being done pursuant to a Presidential  
17 Finding?

18 A He did not state that, but the key point there  
19 is at that instant he issued me a "be prepared" order, so  
20 I didn't know what would subsequently come about that.  
21 And so I understand a be-prepared as opposed to a  
22 shipment order. A shipment order comes later in the  
23 sequence of events, but at that particular instant he did  
24 not indicate any destination, and I don't know whether he  
25 knew or not. I just don't know that.

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1 Q And, sir, for the record I am correct in  
2 saying, am I not, that at that point beyond saying basic  
3 TOWs or vanilla TOWs there were no specifications as to  
4 condition code, price, et cetera?

5 A Absolutely not. He got into nothing about  
6 that.

7 Q Anything else you can recall that we should  
8 know about this first conversation with General Powell?

9 A No, not that I can recall. You might prompt  
10 it by questioning, but I don't have anything else. I got  
11 the order. I interpreted the order to be from a  
12 responsible authority because he was in fact the  
13 executive officer to the Secretary of Defense, and it was  
14 a be-prepared order, and that is a legitimate order to go  
15 and be prepared about.

16 Q And, General Thurman, is it your understanding  
17 he came to you in your capacity as the Acting Chief?

18 A Absolutely. I was the senior ranking officer  
19 in Washington in the U.S. Army. I just happened to be on  
20 duty that morning at the Pentagon and he came to see me--  
21 called up on the telephone, asked if he could come and  
22 see me, and I said sure. And the conversation ensued.

23 Q And in that capacity, then, and not in your  
24 capacity as the [REDACTED] for the Department of  
25 the Army?

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1           A     That's right, although I serve as both on that  
2     day.

3           Q     It might be helpful for us to try to ask all  
4     of our questions about this conversation at this time.  
5     Roger, Joe, do you have any questions?

EXAMINATION

7           BY MR. SABA:

8           Q     Yes. Did you have any reason to believe that  
9     when he was addressing you he was addressing you not only  
10    as the Chief Army officer in Washington that day but also  
11    as the person in charge of the [REDACTED]?

12          A     I don't have any idea what went through his  
13    mind at the time. As will come later when I describe my  
14    actions subsequent to that, I intruded the process into  
15    the Army's [REDACTED] but that process may not  
16    have included the Department of Defense. I don't know  
17    what went on at the Department of Defense.

18          Q     So is it fair to say that when General Powell  
19    came to you he came to you as the senior ranking Army  
20    officer in Washington?

21          A     That is correct.

22          Q     In fact, you took it to be that and you did  
23    not take it to be that he was coming to you as head of  
24    the [REDACTED]

25          A     I took it to be that he was coming to me as

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1 the senior officer of the United States Army, as the  
2 Acting Chief of Staff on that day.

3 Q Did it occur to you on that day that the order  
4 which he gave to you might also be one of concern to the  
5 [REDACTED]

6 A Well, it did, because later, if I describe  
7 what happened after that, you will determine that I put  
8 it into at least a piece of the Army's [REDACTED]  
9 simply because I had to make sure that the Chief of Staff  
10 was going to be properly advised about it.

11 Q I understand. But I'm trying to be very  
12 narrow in my time frame.

13 A Okay.

14 Q And that is on January 18, 1986, was your  
15 state of mind on that day that this was a matter to be  
16 put through the [REDACTED]

17 A State of mind at that day was issue the order  
18 because it was a be-prepared order, a be-prepared order.  
19 We can ask to be prepared to do anything, but the execute  
20 order is yet to come, and in the execute order you go  
21 through another rationale. But at that particular  
22 instant I issued the instructions to go to the inventory  
23 and the like and I also notified my [REDACTED]  
24 to pick up the action in my absence.

25 BY MR. SAXON: (Resuming)

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1 Q All right, sir. Tell us what you then did  
2 upon having received the be-prepared order from General  
3 Powell.

4 A Okay. I did two things after I received the  
5 order from General Powell. One is I contacted Lieutenant  
6 General Register. He is the Deputy Chief of Staff for  
7 Logistics. I don't recall whether he was in the building  
8 or not, but I ordered him into the building if he wasn't  
9 in the building. Anyway, I face to face went down to see  
10 Lieutenant General Register and I gave him the following  
11 order.

12 I said I want you to do an inventory of where  
13 our missiles are located and be prepared to ship on short  
14 notice 1,000 missiles, whether it be on 12, 16, 32, 72-  
15 hour notice, and I further said to him it is a very close  
16 hold operation but it's a be-prepared order and I don't  
17 want you talking on the telephone about it. So if you  
18 need to do some transportation from Washington, D. C. to  
19 Redstone Arsenal, which is the national inventory control  
20 point where we keep records of all of that, then you have  
21 my authority to order up an airplane to do that, fly  
22 either way, in order to get the action officers.

23 I didn't even know whether we had 1,000 TOW  
24 missiles in the system, much less 3,000 more after that  
25 or their whereabouts, but I said get onto it swiftly and

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1 report back and be prepared to ship when we tell you to  
2 ship.

3 Then the second thing I did after that is I  
4 called for [REDACTED]  
5 [REDACTED] through which these  
6 projects normally would flow.

7 Q And that's the [REDACTED]

8 [REDACTED]  
9 A [REDACTED]

10 [REDACTED] the principal head, the  
11 head of that. And I gave him an instruction. I said,  
12 I'm going to give you the same order that I received from  
13 General Powell and that I have relayed to General  
14 Register, and I want you to go back and make a memorandum  
15 for the record and I want you to follow up with the  
16 action officer and the Deputy Chief of Staff of Logistics  
17 and make sure you record the names of everybody that has  
18 his hand in this particular operation.

19 And I said, furthermore, you keep the Chief of  
20 Staff of the Army apprised of the action because I'm  
21 going to leave town this afternoon, Saturday afternoon,  
22 the 18th of January, on or about 1800 hours to fly to  
23 Europe and therefore I will not be here and you keep the  
24 action in focus and report to the Chief of Staff of the  
25 Army.

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1           The third action I took was the Chief of Staff  
2 returned that afternoon, on or about 1330, and --

3           Q     This is all still on the 18th?

4           A     On Saturday, the 18th, and is customary when  
5 the Chief of Staff has been absent and particularly when  
6 I've been the Acting Chief of Staff in matters pertaining  
7 to the Joint Chiefs of Staff, I went to his quarters at  
8 this particular time, since I didn't want to impose upon  
9 him to come to the office, to give him a dump on the  
10 meetings that I had conducted in his absence or that I  
11 had been a participant in in his absence.

12           And one of the things I informed him of was  
13 the fact that General Powell had come and given me a  
14 warning order, that I had set in motion the response to  
15 that, to inventory to locate the whereabouts of the 1,000  
16 TOW missiles, and that I had informed [REDACTED] and  
17 that he would be apprised as the situation developed.

18           Q     Did you tell General Wickham that this had  
19 come from the Office of the Secretary of Defense?

20           A     I surely did. I named General Powell.

21           Q     And did you tell him that it was a close-hold  
22 sensitive?

23           A     I did. I told him it was very sensitive, very  
24 close hold. It was also a be-prepared mission and that  
25 we would just have to see how that developed.

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1                   And then the fourth action I took that  
2 afternoon is before I departed I called back to General  
3 Powell and I said to General Powell, reference the  
4 conversation you and I had had earlier today the wheels  
5 are in motion and we are ready to execute subject to the  
6 wheels in motion producing the information necessary.  
7 And that terminated my activities on the 18th with  
8 respect to the TOW missile business.

9                   I then departed for Europe 1800 or thereabouts  
10 to go to visit troops on REFORGER in that particular  
11 activity that week.

12                  Q    Sir, was this an unusual type of request to be  
13 transmitted -- (a) the type of request that it was and  
14 (b) to come into the Army the way it did?

15                  A    The number of TOW missiles was unusual.

16                  Q    Unusual?

17                  A    In the number.

18                  Q    Meaning large?

19                  A    Like 1,000, yes. The number of 1,000, the be-  
20 prepared to ship 1,000 versus the 3,000; that was  
21 unusual. Normally we do not get those kinds of  
22 instructions from the executive office of the Secretary  
23 of Defense. Normally when we are reacting to inquiries  
24 and to requests they are channeled through a system  
25 called the [REDACTED] which would come to us

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1 principally through [REDACTED]  
 2 [REDACTED]  
 3 [REDACTED]

4 Q If you would, sir, take a moment for the  
 5 record and give us a bit of the history of the creation  
 6 of [REDACTED]

7 MR. SABA: Could I ask a time question?

8 MR. SAXON: Sure.

9 BY MR. SABA: (Resuming)

10 Q Just so it's clear, General, when you departed  
 11 for Europe you still did not know and I presume you had  
 12 not informed [REDACTED] that this would be a transfer to  
 13 any other United States agency?

14 A I didn't know a thing about who was going to  
 15 get it, when it was going to be shipped. I didn't know  
 16 anything.

17 Q So it would be correct to say that when you  
 18 departed for Europe it would not have occurred to you  
 19 that this was necessarily a matter which would have gone  
 20 through the [REDACTED] in any circumstance?

21 A No. I guess what I'd say about that is my  
 22 concern was to assure that there was some accountability  
 23 process, given that I was the officer of the Chief of  
 24 Staff and my accountable processing agent was [REDACTED]  
 25 But at the instant I had no idea where they were going

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1 and I didn't know when they were going, nor did I know  
2 about any later papers or authorization or fund sites or  
3 whatever, because in the instruction it was simply a be-  
4 prepared order.

5 And so we always can respond to be-prepared  
6 orders without being explicit in the final accomplishment  
7 of all the documentation.

8 Q So for all you knew the missiles may have been  
9 intended for a direct transfer to a foreign country?

10 A I had no idea at the moment. I just had no  
11 idea about that.

12 BY MR. SAXON: (Resuming)

13 Q If you would, General, walk us through the  
14 creation of [REDACTED]

15 [REDACTED] in brief form.

16 A A month after the Chief of Staff and I came on  
17 board as a team at the same time, 22 June 1983, a month  
18 after that he [REDACTED]

19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 As a result of that we began the processes of  
23 trying to understand what [REDACTED]

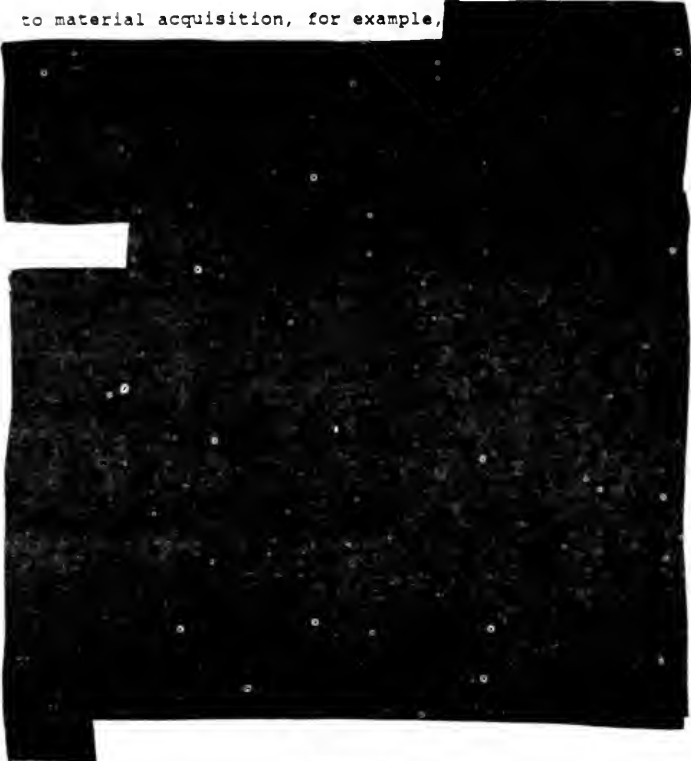
24 [REDACTED]  
25 That is to say those matters pertaining

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1 to material acquisition, for example,



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22 So not long thereafter we have a bubble-up  
23 from below which indicates there is some allegations of  
24 misappropriation of funds in one of our black programs  
25 which adds further stimuli to the process of trying to  
set up an appropriate oversight mechanism to control the

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1 actions, the orders, the shipments, the funding channels  
2 and the like.

3 Q Would that have been YELLOW FRUIT?

4 A That is an operation called the YELLOW FRUIT  
5 operation, which commenced in October, the investigation  
6 of which commences in the arrival of a particular  
7 individual who alleges malfeasance of office in late  
8 October 1983. We subsequently turned that into an  
9 Inspector General inquiry, subsequently into a 15-6  
10 inquiry, subsequently into a Department of Justice  
11 inquiry that later takes on its own course of events and  
12 ends up in prosecution in both military and civil court.

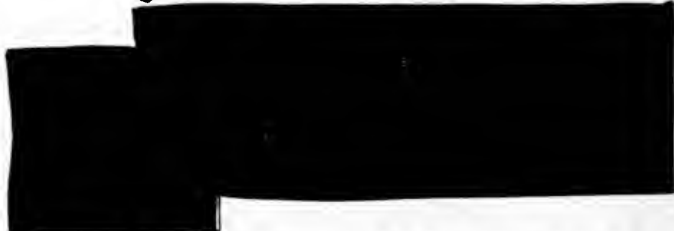
13 As a result of all that, I believe in 1984 I  
14  set up the formal  
15 system after we had gone through the various staffing  
16 inside the Army as to how to assure that we had the  
17 appropriate mechanism to review our process, and 

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Q And that is for transfers of Army materiel and equipment to other agencies of the government?

A Yes.

Q Not exclusively but primarily the CIA?

A Primarily, and it does not include military assistance cases, military assistance cases coming under the auspices of the Director of Security Assistance, General Gast in the present instance. His cases, if they are -- and they are all open and in the white, to the best of my knowledge -- those cases are not processed through the [redacted]

Q Is it fair to say that at least in concept and implementation the [redacted] was designed as the exclusive system for handling transfers to the Agency?

A Yes, effective [redacted] And we have some ongoing operation to gather up all of the -- subsequent to [redacted] we have the process of going out and interrogating and collecting all the information that is resident in agencies outside of the

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1 Department of the Army itself -- in other words, in the  
2 Army Materiel Command, in the special operating forces or  
3 elsewhere -- in other words, getting our arms around the  
4 process took us some time subsequent to the initiation of  
5 the office. But from that point onward the [REDACTED]  
6 interests that came into the Army came in through that  
7 system.

8 The procedure for that is an inquiry may come  
9 in from the Agency [REDACTED]

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That then would be staffed through [REDACTED]

Q And there would be staffing on the readiness

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1 issue at some stage; is that correct, sir?

2 A Yes. That would be a part of the staffing  
3 process.

4 Q And there would be legal review, as I  
5 understand it, at three different levels, [REDACTED]

6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]

9 A That is correct.

10 Q 'While there were individuals involved in the  
11 Army's [REDACTED] who were involved in SNOWBALL  
12 and CROCUS, is it fair to say that those two transactions  
13 bypassed the formal [REDACTED]

14 A They bypassed the formal [REDACTED] on  
15 the ingress line, other than to say it came to me as the  
16 [REDACTED] on the SNOWBALL, and it came to the  
17 Chief of Staff on the CROCUS. So you could technically  
18 say that it entered at a node but it didn't come through  
19 the normal staffing procedure, which would then have been  
20 a piece of paper that transmitted that. Most of the  
21 transmission was oral.

22 On the outbound leg on both counts, at least  
23 on the count of the TOW, the first shipment is made  
24 without a complete wringout through all of the procedural  
25 steps that I just described, although subsequent to that

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1           there is a touching base with the General Counsel and the  
2           Judge Advocate General that begins to say time out, wait  
3           a minute, and that precipitates the General Brown letter  
4           on notification and the like, which I believe is dated 7  
5           March. But that is subsequent to the first shipment, as  
6           I recall it, which occurred on the 13th of February.

7           Q     Since the [REDACTED] was reorganized  
8           or formalized concurrent with the formulation of [REDACTED]  
9           [REDACTED] are you aware of any other transfers to  
10          the CIA from the Army that have not gone through the  
11          formal [REDACTED]

12          A     I'm not aware of it.

13          Q     And that would include, I assume, some fairly  
14          sensitive transfers that we have made?

15          A     To the best of my knowledge I know of no  
16          transfers that haven't been made through the [REDACTED]  
17          [REDACTED]

18          Q     But of those that have been made, some of them  
19          have been quite sensitive in nature?

20          A     Yeah.

21          Q     If you would, then, let's return to the  
22          chronology. I believe that you returned from your trip  
23          to Europe on or about January 26; is that correct, sir?

24          A     I came back on the following Sunday, which  
25          would have been the 26th; that's correct.

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1 Q And in the interim I believe that then-Major  
2 General Vincent Russo had been given the requirement to  
3 actually work the TOW missiles by General Register; is  
4 that correct, sir?

5 A That is correct. He was the Deputy DCS/LOG.

6 Q Were you involved in any way with any of the  
7 action once General Russo took over or were you totally  
8 out of it from that point forward?

9 A I was not into the TOW missile actions. I had  
10 come into the CROCUS along about 21 April, but I am not  
11 in the TOW missile action after that.

12 Q For the record, then, let me ask a couple of  
13 questions, the answers to which I think I know. Is it  
14 safe to say you were not involved in any discussions with  
15 General Russo or anyone else about pricing of TOW  
16 missiles?

17 A Absolutely correct. I was not.

18 Q Is it correct to say you were not involved in  
19 any of the discussions about whether replacement cost  
20 would be allowed for the TOW missile transfer?

21 A I was not involved in that.

22 Q Did you ever discuss with General Powell in  
23 your initial discussion or at any other time whether this  
24 would be done under the Economy Act?

25 A I did not.

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1 Q Were you ever involved in discussions with  
2 General Russo or anyone else about the problems that  
3 resulted which necessitated an I-TOW downgrade and a  
4 reconfiguring of the basic TOW with the MOIC, et cetera?

5 A I did not know anything about that, and I was  
6 as surprised as anybody else when I learned about that  
7 several months later.

8 Q When you had your conversation with General  
9 Powell on January 18 did he mention from whom Secretary  
10 Weinberger had gotten this tasking?

11 A He did not. I don't remember him saying  
12 Secretary Weinberger either. I asked him are you  
13 representing the Secretary of Defense. He said yes.

14 Q So you would have assumed he got his marching  
15 orders from Secretary Weinberger?

16 A I would assume so.

17 Q But you did not know that for a fact?

18 A I do not know that for sure, but I would  
19 assume that. I want to make clear that he is executive  
20 officer to the Secretary of Defense and when I asked him  
21 the specific question is this a legitimate order from the  
22 Office of the Secretary of Defense he said yes. So I  
23 made the assumption it was from the Secretary of Defense.

24 Q Which would have been necessary, I assume,  
25 because normally a two-star general doesn't give a four-

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25

1 star general orders.

2 A No, but I know who he is. He represents the  
3 Office of the Secretary of Defense in that he is the  
4 executive officer of the Secretary of Defense, and so I  
5 make the assumption that he is giving me a legitimate  
6 order, particularly when I interrogate him about that and  
7 he responds in the affirmative.

8 Q All right, sir. I understand it was a be-  
9 prepared order as opposed to an execute order.

10 A That is right.

11 Q But I want to get at a distinction between a  
12 requirement or an order or a mission that would be  
13 imposed on the Department of the Army versus a request  
14 coming laterally from the CIA.

15 Did you assume that this was a requirement  
16 imposed on DA or a mission given to DA over which it had  
17 no discretion?

18 A I made no interpretation of that. I looked at  
19 the legitimacy of the office issuing the instruction, and  
20 that was, in my belief, that when the Office of the  
21 Secretary of Defense, given the civilian control of the  
22 military which ensues, that the Office of the Secretary  
23 of Defense is issuing us an instruction, a valid mission.

24 Q Would you say that the [REDACTED]  
25 [REDACTED] worked fairly well?

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~~TOP SECRET TOW~~  
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26

1           A     Absolutely.

2           Q     Have they worked so well that in fact the CIA  
3 sometimes complains now that you don't play ball with  
4 them as much as you did before?

5           A     There have been complaints that we have taken  
6 longer to answer inquiries than we used to.

7           Q     Sir, when we met with you earlier you  
8 characterized this, if my notes are correct, as follows:  
9 We have tightened the noose around this sucker that is so  
10 tight they have accused us of strangulating time lines.  
11 Would that be a correct characterization?

12          A     That is a little harsh perhaps, on my part,  
13 but we have tried to do our best to tighten up our  
14 procedures to the point that they are adequately staffed  
15 and that the appropriate recommendations are given to our  
16 civilian master, the Secretary of the Army.

17          Q     As far as you aware, even though you were  
18 personally not involved in any discussions about price  
19 for the TOWs, are you aware of any pressure applied on  
20 anyone wearing an Army uniform or in an Army civilian  
21 capacity to come up with a low price?

22          A     I am not.

23          Q     Are you aware of any ceiling that would have  
24 been imposed by the CIA on how much money they could  
25 spend for TOW missiles?

~~TOP SECRET TOW~~  
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TOP SECRET//NOFORN

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1           A     I am not.

2           MR. SAXON: All right. I am ready to go to  
3 CROCUS. If you guys have some questions, we should  
4 probably get them now.

5           MR. SABA: I have no further questions on this  
6 matter.

7           BY MR. SAXON: (Resuming)

8           Q     General Thurman, you told us that you picked  
9 back up in these matters sometime in April and I believe  
10 in the interview you previously told us that on or about  
11 21 April you ran into General Russo and found out that  
12 there was sort of a follow-on. Can you tell us about  
13 that, sir?

14          A     He said that -- we had a hallway meeting  
15 engagement and he said that he had been given  
16 instructions to proceed on some HAWK parts, like the  
17 TOWs. And I said who gave you the instruction? He said  
18 the Chief of Staff. I said is the Chief of Staff,  
19 General Wickham, monitoring your activities? He said  
20 yes, he is. I said, in that case I will not intrude  
21 myself.

22          Q     So it was sort of a thanks for the  
23 information, carry on, type of discussion?

24          A     No. It was useful because if in the absence  
25 of the Chief of Staff the matter came up, it was not as

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1 if I hadn't heard about it. But the point is we don't  
2 try to do each other's work, and in this particular case  
3 he was dealing with the Chief of Staff and therefore he  
4 did not need to include me on the details about that.

5 Q And were you involved in any of the details of  
6 the HAWK repair part shipments?

7 A I get involved in it much later in the time  
8 sequence. I get involved when I am again the Acting  
9 Chief of Staff, and that occurs on or about the 22nd to  
10 the 24th of September, 1986.

11 Q All right, sir. Before we go into that, then,  
12 let me ask a few questions for the record on the HAWK  
13 repair parts.

14 Were you aware that the repair parts list was  
15 prepared abroad and when it came to DA from the CIA there  
16 was a lot of outdated and confusing information?

17 A I was not aware of that until later, after the  
18 Inspector General inquiry was conducted, much later.

19 Q Were you aware of any of the statements that  
20 Army officials made to the CIA, primarily through Major  
21 Simpson and, to some extent, through General Russo, that  
22 the way to have done this for not much more money would  
23 be to rebuild the whole HAWK missile rather than to spend  
24 the money for these repair parts which were requested?

25 A I was not aware of that.

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1 Q So all of those particulars, and any others--

2 A I had nothing to do with the action, so I am  
3 not aware of that.

4 Q And any concerns about the readiness impact of  
5 providing any of these items --

6 A Those papers did not come through me.

7 Q You say then that your next involvement comes  
8 on 22 or 24 September. What happened then?

9 A Well, at that particular time again I was the

10

11 Q It had been

12 A It had been

13

14

15 And there was an action memorandum that was brought up by

16 [REDACTED] at that particular time which represented

17 additional spare parts for the HAWKS.

18 And he said there was some anxiety in the  
19 staff about that particular process and therefore we  
20 needed to raise that to the Secretary of the Army and  
21 make sure that it was appropriate for us to continue to  
22 ship those parts.

23 He then went in to see the Chief of Staff the  
24 next day, talked to the Chief of Staff about that, and  
25 the Chief of Staff then said make sure that it is run

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TOP SECRET CODEWORD

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1 through the TJAG or the General Counsel, and it is. And  
2 then the last action I have on that is about 22 October,  
3 when again I'm the Acting Chief of Staff of the Army. He  
4 brings up a paper which says we should tell the Secretary  
5 of the Army to go up and see the Secretary of Defense in  
6 terms of full disclosure with respect to the recipient  
7 agency and the destination and the like.

8 And the Secretary of the Army acts on a  
9 recommendation and does that at that particular point in  
10 time. The action with respect to those HAWK parts is  
11 suspended.

12 Q Sir, was that set of meetings and those  
13 memoranda, were they generated by the follow-on request  
14 for HAWK repair parts that came after the April request  
15 for HAWK repair parts?

16 A Yes.

17 Q And it was the opinion of the Department of  
18 the Army that rather than simply being an addition this  
19 was in essence a new tasking or a new request?

20 A That's right.

21 Q For which reason the earlier approval and the  
22 earlier instructions which came down from the Office of  
23 the Secretary of Defense would not have been governing  
24 because this in fact came laterally from the CIA; is that  
25 correct, sir?

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TOP SECRET CODEWORD

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1           A     I can't attest to that latter. All I know is  
2     that the troops doing the work in the action process --  
3     and I'm not sure of the connection on whether it came  
4     laterally because I was not in on it on the inbound leg,  
5     but in the staffing process that was going on they raised  
6     some concern about the dimension of it and the  
7     destination of it and the like, and therefore they raised  
8     the red flag.

9           A     So we reacted to that.

10          Q     Were you involved at any point, General, on  
11     the HAWK radars?

12          A     I was not.

13          Q     The Congressional notification issue about  
14     which the Department apparently had great sensitivity and  
15     appropriate sensitivity is something you mentioned  
16     earlier. You mentioned the memorandum that General Brown  
17     prepared and which he provided to General Powell and  
18     which we now know General Powell sent to Admiral  
19     Poindexter at the White House.

20          A     Yes, sir.

21          Q     Mrs. Crawford, the Army General Counsel  
22     prepared a memorandum on this issue. Are you aware of  
23     whether anyone at the Department of the Army actually  
24     inquired after those memoranda were sent forward of  
25     whether notification had been provided by the CIA to the

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1 Congress?

2 A I'm not aware of that personally.

3 Q And did anyone ever comment orally or in  
4 writing that perhaps somebody should check that and see  
5 whether that had taken place?

6 A I don't specifically recall that. It may be  
7 in the documents, but I just don't recall it.

8 Q You mentioned earlier that when you had your  
9 hallway conversation with General Russo and he briefly  
10 read you on, if you will, to this tasking on the HAWK  
11 repair parts that you would perhaps, if General Wickham  
12 were out of town, become the Acting Chief again and there  
13 might be some action on that, at which point you would  
14 become active.

15 A That's right.

16 Q Now for our understanding tell us how that  
17 process works if you are not being briefed or kept  
18 apprised daily, and if we have any concerns about that  
19 disabuse us if we should be so disabused.

20 A In the process of doing business there are  
21 occasions when the Chief of Staff of the Army can be read  
22 on to a program that even I am not read onto, unless I  
23 have an express requirement to be read on for his  
24 explicit absence. Actions like that include arms control  
25 and very sensitive matters. And so there may be times

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1 when he and I both are in town, whereas he would be read  
2 onto a specific action over which I had no knowledge, and  
3 therefore I am not kept up to date on a day-to-day basis.

4 Now if he then departs I may have to be  
5 explicitly brought on on a particular subject matter in  
6 order to be acting as the Acting Chief of Staff, in which  
7 case I am brought on. I then follow it on a day-to-day  
8 basis.

9 Now the presumption on my part with respect to  
10 the HAWK business was that it was being handled by the  
11 Chief of Staff, so I didn't intrude myself in that  
12 process. And again it was not going through the normal

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15  
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17  
18



19 So that is the process. So, you know, I guess  
20 from my standpoint relatively uncommon that those kind of  
21 compartmentations exist, but then there are some of  
22 those. So I raised no hackles about that when I was told  
23 there was an action under way and it was a sensitive one  
24 because he, Ruaso, had told me that it was like the TOW  
25 caper and the TOW caper was a sensitive one, and I did

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1 not intrude myself into that.

2 Q I understand that explanation. Let me put one  
3 possibly different interpretation on things. You have  
4 already indicated that the initial request from General  
5 Powell on the TOWs was perhaps a bit unusual and it did  
6 not go through the normal [REDACTED] of which  
7 you were the [REDACTED] as you have described it.

8 And General Powell indicated there would be an  
9 initial request probably to ship 1,000 TOWs and that  
10 there might be additional requirements up to 3,000 or  
11 maybe 3,500. And then in April you find out that there  
12 is a request for HAWK repair parts as a follow-on, and  
13 given that this is sensitive, a sensitive matter one can  
14 ask whether it is wise as a matter of practice or policy  
15 to have periods when you are not aware of what is  
16 happening in sequence, and whether if General Wickham did  
17 go out of town and you then became the Acting Chief,  
18 whether if you are read onto something which arises  
19 whether you have got the proper context for making  
20 decisions.

21 A I think that's a fair question, and I would  
22 just say that in the past I have handled actions and been  
23 read on in the context of his being departed from town  
24 and handled the actions in a reasonable manner while he  
25 is absent and then when he comes back he picks up the

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35

1 action, and I may have a breakage at that particular  
2 point in time because of the sensitivity of the action.

3 So in hindsight one might say, Thurman, you  
4 should have got yourself in there with a great deal of  
5 gusto, but at the time I had absolutely no idea where the  
6 stuff was going and there are many countries in the world  
7 who have been the recipients of TOW missiles through  
8 legitimate foreign military sales, and many owners of  
9 HAWKS.

10 And so that fact, I know that, and so that  
11 fact sort of told me that I didn't need to know any more  
12 than I needed to know at the time, so I didn't pressure  
13 Russo at the time about it, and if I then get back into  
14 it later when I'm the Acting Chief, I'm brought into it  
15 and I take constructive action on it.

16 Q On October 24 I believe you indicated that  
17 Secretary Marsh paid a visit to Deputy Secretary of  
18 Defense Taft on the readiness question with regard to the  
19 HAWK request; is that correct, sir?

20 A Well, I'm not privy to exactly what he said.  
21 What we said in our recommendation to him on the 22nd is  
22 we need to make sure that Project CROCUS needs to be  
23 provided the appropriate authorities within DOD and legal  
24 review should be accomplished, and we shouldn't release  
25 any more material until that occurs and the legal

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1 position is described about that.

2 And it does have said in that particular  
3 memorandum that the opinion of the Deputy Chief of Staff  
4 for Logistics was it would have minimum impact on Army  
5 readiness. What the exact conversation Secretary Marsh  
6 had with Secretary Taft I am not privy to, but I am told  
7 that he did go and discuss matters with Secretary Taft  
8 and as a result of those discussions then the project was  
9 put in abeyance.

10 MR. SAXON: Joe or Roger, do you have anything  
11 on HAWK repair parts?

12 MR. SABA: No, John. I would think it would  
13 be useful, though, that the record reflect that the  
14 General used a memo of a particular date, if we could get  
15 that to help him with that answer.

16 BY MR. SAXON: (Resuming)

17 Q The memorandum to which you just referred,  
18 sir --

19 A That is dated 22 October 86, which I used to  
20 refresh myself with respect to the time line on the  
21 action that later resulted in the Secretary of the Army  
22 talking to Secretary Taft.

23 Q And that is a memorandum from whom to whom?

24 A It is from our [REDACTED] to me or through me  
25 to the Secretary of the Army, and I gave you the

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1 constituent parts.

2 Q General Thurman, did you have prior to these  
3 matters becoming public any knowledge of or involvement  
4 with any efforts by the Department of the Army to  
5 replenish Israeli stocks of TOW missiles in the late  
6 1985-early 1986 time frame?

7 A I did not. Now they could have occurred  
8 through the foreign military assistance channel, which  
9 would have been a legitimate sale, because there are a  
10 number of people overseas, customers that are permitted  
11 to buy through appropriate authorities up through the  
12 logistics channels into the Department of Defense to  
13 approve sales of TOW missiles. You are talking about  
14 TOWs?

15 Q Yes, sir.

16 A But I don't recall any specific event about  
17 that. But I am also saying there could have been sales  
18 at that time.

19 Q All right, sir. Let me ask the same question  
20 with regard to entire HAWK missile systems, whether you  
21 are aware of or had any involvement with efforts to ship  
22 HAWK missiles in late 1985 to Israel or, for that matter,  
23 to Iran directly.

24 A I'm not aware of that.

25 BY MR. SABA: (Resuming)

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1 Q What about HAWK missiles?

2 A HAWK missiles to Israel?

3 Q Yes.

4 A Again, I can't attest to it, that I know  
5 specifically about it, although I don't rule out the fact  
6 that there may have been some through a legitimate FMS  
7 sale. I just don't know.

8 Q Apart from FMS sales in 1985 were you aware of  
9 any efforts to determine our inventory of TOW missiles  
10 for purposes of transfer to a third country?

11 A I am not aware of that.

12 Q Or another agency?

13 A I'm not aware of that. I mean, we get  
14 inquiries all the time like that, but I'm just not aware  
15 of that.

16 Q I'd like to ask the same question with respect  
17 to HAWKS, which is whether in 1985 you were aware of any  
18 requests as to our inventory of HAWKS for the purposes of  
19 a transfer, whether to a foreign country or to another  
20 agency.

21 A I'm not aware of that.

22 BY MR. SAXON: (Resuming)

23 Q As you know, we've been focusing on the Iran  
24 part of the Iran-contra affair. Let's give equal time to  
25 the contra side.

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1           A     Okay.

2           Q     And let you tell us anything you would like.  
3           Are you aware of any activity by the Department of the  
4           Army or DA personnel or military personnel with the Army  
5           who may be assigned or detailed or attached somewhere  
6           else being involved in assisting the contras in Central  
7           America during the period when the Boland Amendment cut  
8           off all funding for the contras by the U.S. Government?

9           A     I am not aware of that.

10          Q     Are you aware of any efforts by Army civilians  
11          or military personnel to assist in what we have come to  
12          know as the private supply operation or the private  
13          benefactor network which was operating outside of U.S.  
14          Government channels to aid the contras during the period?

15          A     I'm not aware of that, of any direct  
16          assistance given to those people.

17          Q     Are you aware of any indirect assistance?

18          A     Indirect either.

19          Q     All right, sir. I asked you when we met  
20          earlier about any discussion you may have had with  
21          General John Vessey, the retired Chairman of the Joint  
22          Chiefs.

23          A     He was the Chairman at the time.

24          Q     In the winter of 1984-85 regarding General  
25          Singlaub and the fact that General Singlaub was aiding

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1 the contras and raising money for them in certain ways  
2 with regard to the names of any retired military  
3 personnel who might like to provide operations or  
4 logistics advice to the contras.

5 A Yes.

6 Q Tell us about that conversation.

7 A Okay. General Vessey asked me if I could  
8 supply him a list of retired military officers who spoke  
9 Spanish who were logisticians, and I said well, I'll go  
10 check that out.

11 Q Did he ask you that in your capacity as Vice  
12 Chief of Staff of the Army or because you had been  
13 formerly head of the Army's personnel shop?

14 A I guess he asked me for both because I was the  
15 Vice Chief of Staff of the Army, but he knew I knew the  
16 personnel system. So he asked me if I could ascertain  
17 some of those people.

18 I prepared a list of about ten or fifteen  
19 people, to the best of my knowledge it was that number.  
20 Then, the more I thought about that the less I thought of  
21 it and, to the best of my knowledge, the issue died. The  
22 reason I say it died is because in my own view I felt  
23 that having somebody report to somebody's house and say  
24 would you like to come to work for us was an imposition  
25 on the recipient party. And so to the best of my

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1 knowledge, although there was a follow-up telephone call  
2 from Admiral Moreau, who was executive assistant to that,  
3 but I recall stalling that off, to the best of my  
4 recollection.

5 Q So after the initial conversation with General  
6 Vessey you did not talk with him again about this issue?

7 A I did not.

8 Q And you did get a follow-up from Admiral  
9 Moreau?

10 A I did.

11 Q And what do you recall about that?

12 A I recall that I said roger, I'll work on it.

13 Q Was that a hallway meeting?

14 A No, that was a telephone call. And at that  
15 time I had the piece of paper, but I didn't do anything  
16 with it, to the best of my knowledge. Now if somebody  
17 has the piece of paper, then I guess I did something with  
18 it, but I have looked for that piece of paper. I did  
19 not, to the best of my knowledge, do that because I was  
20 apprehensive that we shouldn't be doing that.

21 Q So to the best of your knowledge you did not  
22 provide that to Admiral Moreau?

23 A To the best of my knowledge. I have tried to  
24 reconstruct that since you asked me that, and to the best  
25 of my knowledge I did not provide that.

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1           Q    I'd like to ask you some questions about  
2    YELLOW FRUIT. We have yet to ascertain on behalf of the  
3    Senate Committee, at least, whether that is directly or  
4    even indirectly related to our inquiry. There are  
5    certainly some parallels there, so I'm not asking you to  
6    give us the entire history of YELLOW FRUIT, but if you  
7    could briefly and quickly walk us through an overview of  
8    what the problems were and the concerns were, and if you  
9    can update us as to whether in fact there are any Swiss  
10   bank accounts that may have Army officials names plus  
11   those of General Secord and Colonel North, et cetera.

12           A    The YELLOW FRUIT exercise is kicked off in  
13    October 1983 by an allegation in INSCOM, the Intelligence  
14    and Security Command, U.S. Army.

15           Q    Commanded by Major General Stubblebine?

16           A    At that time, yes, now commanded by Major  
17    General Soyster. At that time the allegee said that  
18    there had been some misappropriation of money. He talked  
19    to the General Counsel of INSCOM. The General Counsel of  
20    INSCOM then proceeded to run that into an Inspector  
21    General inquiry.

22           Q    Was the principal party making the allegations  
23    named William T. Golden?

24           A    That is correct, and Golden appears later in  
25    the Swiss bank account connection. As a result of that

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1 allegation to INSCOM and the subsequent Inspector General  
2 inquiry the then-Deputy Inspector General of the U.S.  
3 Army, General Solomon, apprises me of a situation which  
4 has more far-reaching tentacles than just the mere  
5 allegation of some misappropriation of money.

6 So on or about the 29th of November, 1983 I  
7 issued an order to Major General Ed Peter, who is the  
8 ADCSPER of the Army, the Assistant Deputy Chief of Staff  
9 of Personnel for the Army, to conduct an informal 15-6  
10 inquiry into the allegations of Mr. Golden. He does that  
11 and I gave him a time line of reporting back, as I call  
12 it, of 5 December.

13 Q And is a 15.6 regulation investigation, is  
14 that a collection investigation?

15 A The interrogator will have a lawyer present  
16 with him and he's able to take testimony which begins to  
17 illuminate the issue, but there is a more formal inquiry  
18 process than that, which is called the Article XXXII  
19 investigation under the Uniform Code of Military Justice.  
20 So this is the preliminary inquiry which tries to  
21 ascertain if there is a sufficient amount of information  
22 that warrants a full scale, flow-blown inquiry.

23 Peter comes back in on or about the 4th or 5th  
24 of December and he reports that not only is there  
25 sufficient evidence for the full-scale inquiry but that

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1 we must also bring in the FBI and the Department of  
2 Justice and the CID. And so we do that in the course of  
3 events, and that starts the investigation of YELLOW  
4 FRUIT.

5 Now YELLOW FRUIT grows out of a black program



6  
7  
8  
9 And the more we dig into that, the more we find  
10 out that it goes into agencies using money, procuring  
11 supplies, procuring airplanes, procuring all sorts of  
12 materiel. And that investigation runs a substantial  
13 course of time.

14 And it contributes to what the Chief of Staff  
15 had suspected when he



16  
17  
18 YELLOW FRUIT then goes into the Department of  
19 Justice. There are then certain allegations that are  
20 turned over to the Department of the Army for prosecution  
21 under the UCMJ, and there are other elements that are  
22 retained by the Assistant U.S. Attorney, and then actions  
23 continue to go even up to the present time in terms of  
24 essentially we are through in the Department of Army and  
25 the UCMJ, except for the appellate routines about that.

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1 And essentially we are through with respect to  
2 the Assistant U.S. Attorney's case, [REDACTED]  
3 [REDACTED]  
4 [REDACTED]  
5 [REDACTED]

6 So that is a short litany of the genesis of  
7 the YELLOW FRUIT investigation. When it becomes known  
8 about the whole Iran-contra connection, the Secretary of  
9 the Army asked me to revisit the YELLOW FRUIT  
10 investigation to see if there were any things that should  
11 be further pursued, that even though there had been a  
12 considerable amount of effort were there some blind  
13 alleys in which progress was stopped because of time or  
14 press of going to trial or whatever else.

15 And so in early April of 1987 I reconvened  
16 some specific agencies within the United States Army, the  
17 CID, Criminal Investigation Detachments, the Army Audit  
18 Agency, [REDACTED] which has  
19 cognizance over the implication, and a review of the  
20 Intelligence and Security Command inquiry into where did  
21 some of the money go, to make sure that we were tracing  
22 to find out to the best of our ability where we had  
23 preliminarily determined that there was some money not  
24 properly inventoried and controlled as it went through  
25 the expenditure procedure -- that we go and chase that

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1 one more time to see if any of that could have arrived at  
2 or been intruded into any of the process of the  
3 connection between YELLOW FRUIT and the contra  
4 connection.

5 Q And is this relooking effort or these  
6 reinvestigations, is that under your control or  
7 supervision?

8 A That's under my jurisdiction, and we report  
9 out weekly and popping up in all of that is the  
10 reappearance of Mr. Golden. Mr. Golden reappears in that  
11 same time frame on or about 2 or 3 April 1987. He  
12 appears as a result of a CBS News inquiry to the  
13 Department of the Army Public Affairs Office that says,  
14 oh, by the way, we have evidence that Mr. Golden, who was  
15 involved in YELLOW FRUIT, is a signatory to a Swiss bank  
16 account. What have you got to say about that, Army?

17 And the Army said we don't know. Apparently  
18 they also sold Mr. Golden reports. They also called him,  
19 in which case he referred the matter to the Department of  
20 the Army. Later Golden calls us and says, oh, by the  
21 way, I think I recall signing some signature cards when I  
22 was in the YELLOW FRUIT operation.


23 As a result of all of that, we pursue with  
24 some diligence trying to determine if in fact Golden is a  
25 signator to accounts in Credit Suisse.


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1 Q And to date have you found any evidence which  
2 would confirm that?

3 A We have not found any evidence to confirm  
4 that. 

5  Now whether  
6 that's conclusive or not, I don't know.


7 Q Is the Army Audit Agency currently taking a  
8 look at all offshore bank account usage by Army covert  
9 programs?



10 A No.

11 Q Are you taking a look at the usage by the Army  
12 of any Swiss bank accounts?

13 A Ask that again.

14 Q Is the Army Audit Agency, as part of this  
15 relooking at YELLOW FRUIT, looking at any and all Swiss  
16 bank accounts which the Army does use in any covert  
17 operations?

18 A No. The Army Audit Agency is looking  
19 explicitly at an unaccounted for \$12 million. We say  
20 unaccounted. We have some leads onto it. 

21   
22  But none of those  
23 involve, at the moment, to the best of our knowledge, a  
24 connection with any Swiss accounts.  
25

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1                   In the case of the larger number it appears  
2 that was used in [REDACTED]  
3 [REDACTED] that  
4 has nothing to do with a Swiss bank account at this  
5 moment, to the best of our knowledge.

6                   Q    To the best of your knowledge is there any  
7 connection between Colonel Oliver North and all of the  
8 things that the Army subsumes under the heading of YELLOW  
9 FRUIT?

10                  A    We have found no connection, no explicit  
11 connection or implicit connection between Colonel North  
12 and anything to do with YELLOW FRUIT.

13                  Q    The same question with regard to Richard  
14 Secord?

15                  A    The answer is the same with Richard Secord.  
16 Now if you ask me, if you produce tomorrow a card which  
17 shows it is all connected, you know, it may be, but to  
18 the best of our knowledge and based upon all of the  
19 inquiries that we have made we have not been able to  
20 ascertain that any connection between the Army and  
21 Colonel North and the Office of the Army and Secord.

22                               (A discussion was held off the record.)

23                  THE WITNESS: We asked the intelligence people  
24 to go out and make a complete audit and inventory of  
25 everything overseas, and they have done that. And so it

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1 is the Office of the Deputy Chief of Staff for  
 2 Intelligence that is doing the probing of those accounts  
 3 which are principally in the [REDACTED]  
 4 And so far we have seen no connection between those  
 5 accounts and anything to do with any of the matters we  
 6 have discussed today.

7 BY MR. SAXON: (Resuming)

8 Q So there is an examination?

9 A There absolutely is an examination, but the  
 10 Army Audit Agency isn't in that examination.

11 Q All right, sir. Thanks for that  
 12 clarification.

13 BY MR. SABA: (Resuming)

14 Q Have you found any connection between what was  
 15 referred to as YELLOW FRUIT and Richard Gadd?

16 A I've got to refer to some notes about that  
 17 because I can't recite that. I believe that I can say to  
 18 you -- well, let me make sure.

19 (Pause.)

20 I believe that I can say to you that the name  
 21 Gadd appears in work done by our investigative agencies.

22 BY MR. SAXON: (Resuming)

23 Q In connection with [REDACTED]

24 A Yes. But I can't tell you specifically about  
 25 that. In other words, I'd have to get [REDACTED] over

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1 here or [REDACTED] over here or one of those lads to give  
2 you the explicit inventory. I just can't personally  
3 attest to it.

4 BY MR. SABA: (Resuming)

5 Q Do you know if in connection with the \$12  
6 million, accountability for which is being sought, Mr.  
7 Gadd or his company, American National Management  
8 Corporation, is connected or involved?

9 A I can't tell you off the top of my head, no.  
10 I can't tell you that. I'd have to get the people over  
11 here from our CID to go into that with you in some  
12 detail. I just don't know.

13 BY MR. SAXON: (Resuming)

14 Q General Thurman, when you were talking with  
15 Secretary Marsh after the Iran-contra affairs became  
16 public and he said perhaps we need to revisit YELLOW  
17 FRUIT, did he ever make a statement to you that he  
18 thought perhaps in YELLOW FRUIT we would find the origins  
19 of the Iran-contra affair?

20 A I don't recall him saying that to me. What he  
21 did say and one of the processes I took under way is to  
22 try to get a taxonomy of people over time that then might  
23 trigger the relationships that were just asked about,  
24 about Mr. Gadd, because it could be that the aftermath of  
25 the Iran rescue, which then caused the creation of the

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1 Agency's and the U.S. Army, which were classified for the  
2 purpose of if we ever had to do this again, that then  
3 began the operation of the YELLOW FRUIT that then was  
4 terminated.

5           It could be that some of the names connect in  
6 all of that, and so one of the things I have asked my  
7 criminal investigation apparatus to do is do a taxonomy  
8 over time of the names and the people who pop up in  
9 various inquiries so that we could see if there were any  
10 connections with what might be termed the origins of  
11 YELLOW FRUIT, which are really the residue of Desert One,  
12 which then lead into YELLOW FRUIT becoming a cropper and  
13 us then taking firm control of our enterprise.

14           So if you ask me are the names connected with  
15 that, yes, there are names that go back and forth in  
16 that, but I just don't know the names well enough off the  
17 top of my head to give you that. We'd have to bring some  
18 information to you about that.

19           BY MR. SABA: (Resuming)

20           Q     Sir, who would be the best person we might  
21 talk to about that?

22           A     I would say the criminal investigation part of  
23 our Army would do that, and they are capable of giving  
24 you a detail of what those relationships are, or [REDACTED]  
25 [REDACTED] one of those two people.

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1 BY MR. SAXON: (Resuming)

2 Q General Thurman, let me ask a specific  
3 question about one particular aspect of YELLOW FRUIT.  
4 There was a point in, I believe, mid-1983, when Colonel  
5 Duncan thought it desirable, Colonel Dale Duncan thought  
6 it desirable to move their cell of operation out of [REDACTED]  
7 [REDACTED] and  
8 operate under a business cover, and in fact that was  
9 done, and I believe they located in Annandale, Virginia  
10 and took the name of BSI.

11 A That's right.

12 Q As a cover. And he appeared to have retired  
13 and so forth. We have been told that as that decision to  
14 go under cover of BSI and move out of the Pentagon worked  
15 its way up for approval that you ultimately signed off on  
16 that; is that correct?

17 A I may have.

18 Q But you don't recall for sure?

19 A I don't recall for sure because, you see, I  
20 took over in the Vice's job on the 22nd of June, and if  
21 the paper came through after that I may have signed it,  
22 although it may have been a previous Vice at a previous  
23 time. I just don't recall that particular piece of  
24 paper.

25 Q I want to go back for a second to SNOWBALL and

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1 CROCUS. After these matters became public there was a  
2 fairly thorough investigation by the Department of Army  
3 Inspector General.

4 A Yes.

5 Q Into the shipment of HAWKS and TOWs to the CIA  
6 for Iran and pricing issues, et cetera. As far as you  
7 know, would you agree with the conclusions and the  
8 accuracy of the DA/IG report?

9 A I would. Now there may be some error in the  
10 pricing even in the IG report, but in the main I believe  
11 the IG report is a fair inquiry into the events.

12 Q I'm not sure that we would have any evidence  
13 to the contrary, but, as you probably know, the General  
14 Accounting Office did a review of the same matters and a  
15 critique of sorts of the DA/IG, and they reached the  
16 conclusion that with regard to four specific pricing  
17 matters -- that being specifically the price of the basic  
18 TOW, the price of the I-TOW, the price of the MOIC, and  
19 the cost the Army charged for crating, handling and  
20 transporting to the CIA -- that in all four of those  
21 items the Army's estimates and prices were too low.

22 For the record, the DA/IG agreed on three of  
23 those four that the GAO cited. Is it simply coincidental  
24 or to you is that curious, or how should we react to  
25 those data?

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1           A     I don't have any particular reaction to it.  
2     Auditors are auditors and when they get in there and  
3     count the numbers if there's a mistake I think in the  
4     case of the Inspector General of the Army it is probably  
5     a legitimate, honest mistake about it. We asked him to  
6     do the very best inquiry that he could. We put some  
7     pressure on him to do a reasonable time line of effort  
8     about that. If he missed something in the pricing, I  
9     don't think it was willful negligence on his part.

10           Q     I'm not suggesting that the IG report was  
11     deficient. I'm saying that the DA/IG concluded that on  
12     three discrete pricing items the Army came in too low.  
13     The GAO said it wasn't three; in fact it was four. But,  
14     in any event, they both agreed that on those matters  
15     where the Army had to make a judgment about price it came  
16     in too low, and I simply ask the question, going back to  
17     my earlier question to you when we first began about low  
18     balling or pressure to come in at a low price --

19           A     Okay. I understand the context of the  
20     question. Again, I believe the IG fairly represents what  
21     the young action officers in the system say and, to the  
22     best of my knowledge, nobody in the Army was pressured  
23     about low-balling the numbers. So as I understand the  
24     inquiry, yes, the Army did make an inaccurate  
25     determination of cost and clearly in the build-down

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1 sequence of improved TOWs to make them basic TOWs  
2 obviously their pricing was in error.

3 I think all of that was done not necessarily  
4 with malice aforethought, but more through the rapidity  
5 of the action or inattention to what we were doing.

6 Q Is it possible those mistakes came because  
7 this was too close a hold and people who would have  
8 normally had the expertise were not included?

9 A Probably.

10 Q Do you have any knowledge of any involvement  
11 that Mr. Noel Koch may have had in pricing decisions with  
12 regard to TOW missiles?

13 A Absolutely not.

14 Q Do you have any knowledge of any involvement  
15 that Dr. Henry Gaffney of DSAA, the Defense Security  
16 Assistance Agency, would have had on questions involving  
17 HAWK missile shipments to Iran?

18 A I am not aware of that.

19 Q Would you have any awareness or knowledge of  
20 involvement by Glenn Rudd, the Deputy Director of DSAA,  
21 with regard to TOW missile pricing?

22 A I'm not aware of that.

23 Q General Thurman, you have had a distinguished  
24 military career and in the number two position in the  
25 Department of the Army for uniformed personnel. As you

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1 look back on the Army's involvement with SNOWBALL and  
2 CROCUS, are there any lessons that you could offer for  
3 our Committees on how to do it or how not to do it?

4 A Well, I guess the answer in retrospect is to,  
5 one, obey your civilian masters and be responsive to  
6 them. Two is to make sure that it is carried out with --  
7 that any operations that are carried out are carried out  
8 in the complete context of complete staff work, and if  
9 there's a lesson in it from hindsight it may be that we  
10 did not do enough staff work on those two particular  
11 items.

12 Q But it would seem, then, that your first  
13 lesson and your third lesson are in conflict, because you  
14 probably didn't do the staff work because you were  
15 obeying your civilian leaders.

16 A Nobody said take any shortcut approach to  
17 pricing. Nobody said take any shortcut approach to  
18 correct staffing processes. So if there's a lesson in  
19 that I would say that the lesson in that is be more  
20 careful in doing the staff work.

21 In the end game you may be still shipping TOWs  
22 someplace that the high command, national command  
23 authority, chooses to have you ship them to.

24 Q For the record, I ask this question with  
25 regard to you personally, but let me ask it with regard

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1 to all of your Department of Army counterparts, excluding  
2 General Powell, who wore an Army uniform but was acting  
3 in his capacity as the Military Assistant to the  
4 Secretary of Defense. As far as you know, did anyone at  
5 the Department of the Army know these missiles were going  
6 to Iran?

7 A To my knowledge, nobody knew that.

8 Q If you had known that when General Powell  
9 called you on 18 January and said, sir, not only should  
10 you be prepared to ship 1,000 missiles, but we're going  
11 to give them to the CIA and they are going to ship them  
12 to Iran, what would have been your reaction?

13 A I think my reaction to that would have been to  
14 issue the be-prepared order. Then I would have been in  
15 some conversation, more fulsome, with the Chief of Staff  
16 of the Army to make sure that he was informed that they  
17 were in fact going there, and that would have probably  
18 caused us to do a considerable amount of legwork about  
19 that.

20 Now shipment isn't going to take place until  
21 we go clear it with the Secretary of the Army, so having  
22 known the destination and having known what the current  
23 status was with respect to embargoes and the like, then  
24 I'm sure that when that came up as a matter of  
25 information to the Secretary of the Army there would have

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1           been yet a considerable amount of debate about that  
2           further as to the ultimate course of whether they would  
3           have been shipped or not.

4                     I am not competent to tell.

5                     Q     Sir, you mentioned embargoes in place. Am I  
6           correct in saying that at the time there was an embargo  
7           against arms shipments to Iran by the United States?

8                     A     Well, I don't have the time lines on that, but  
9           as far as my recollection is there were.

10                    Q     And in fact were we not pressuring our allies  
11           for them not to ship arms to Iran?

12                    A     As far as I know, we were. That was at least  
13           the open policy.

14                    Q     We will be asked -- I say we meaning the  
15           respective House and Senate Committees and the Members,  
16           and perhaps even in the recommendation from the staff to  
17           the Members -- to make recommendations about any  
18           requirements for change, whether it be procedures,  
19           Executive Orders, regulations or new legislation.

20                    A     At this point in the look-back on the Iran-  
21           contra affair and particularly in terms of the Department  
22           of the Army's SNOWBALL and CROCUS, do you have any  
23           recommendations you can pass on to us which we should  
24           pass on to our bosses?

25                    A     Well, I would commend the 

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in terms of having a central referee organization that reports only to the Office of the Chief of Staff and the Office of the Secretary of the Army to assure that there is appropriate civilian oversight into matters, some of which we have discussed today.

That is helpful to the civilian leaders. I think it would be particularly helpful to have that institutionalized as it is in the Army. That's not to say we are perfect. In this case we had a breakdown, but if the procedures had been followed to their fullest there would probably have been less chance of breakdown, although they could still have been shipped wherever they were shipped.

But at least it provides the forum under very tight control that would also transcend administrations. In other words, this process could be then institutionalized. Now whether the Secretary of Defense regulatory matter is sufficient about that or whether there is a statutory obligation about that, I don't know. But in the main it is a good thing that we did that, because we now have a more substantive handle on it.

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1           That is not to say, though, that there are not  
2 forces at work which would try to bypass that, and I  
3 think you have to be careful in the Federal statutes that  
4 in the creation of the Special Operating Forces commands,  
5 which are currently extant by the most recent  
6 reorganization act of the Department of Defense, that you  
7 do not bypass the Secretaries of the several services  
8 when included in the legislation is a notion that the  
9 commanding officer or the commander in chief of the  
10 Special Operating Forces has his own budgetary  
11 allocation.

12           That sounds a little complicated. So if you  
13 would like for me to explain that a little bit more, I  
14 would be happy to.

15           Q     Please.

16           A     At the moment forces are allocated by the  
17 several services to the gaining commanders in chief. In  
18 the enthusiasm to empower the commanders in chief in the  
19 field with more responsibility and to give them more  
20 control and authority over the forces assigned to them,  
21 there has also run along on that track some notion of  
22 apportioning forces by the commanders in chief in the  
23 field, which, if carried to their fullest, might then  
24 conflict with the responsibilities of the Secretaries of  
25 the several services to discharge their overview of their

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1 individual services.

2           So let me hypothetically set that up. You  
3 could be running a clandestine operation that has the  
4 clandestine person who is trying to carry out the  
5 clandestine activity move -- I'm talking about a  
6 legitimate clandestine operation, one that has all the  
7 approval authorities and all of that -- but he moves from  
8 one theater of operations to another and therefore the  
9 jurisdiction goes from one commander in chief in one area  
10 of the world to the jurisdiction of another commander in  
11 chief in another area of the world.

12           And if you carry to extreme the notion of  
13 territoriality, then you could get the notion that the  
14 clandestine handoff might cause a gap which is better  
15 handled by the Department of the Army with its global  
16 responsibilities. So, therefore, in the

17  
18 [REDACTED] or the like, or in the Special  
19 Operating Forces which we supply to the commander in  
20 chief of Special Operating Command, or to gaining  
21 commanders in chief in the Pacific or in Europe some of  
22 that fund control, that oversight you might want to keep  
23 requisite at the Office of the Secretary of the service,  
24 each principal service.

25           Now in the legislation that is currently

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1 extant in the most recent reorganization act of 1987  
2 states that the fund controls for special operating  
3 forces shall be by the commander in chief of the force  
4 and so there is some ambiguity in the law that at the  
5 present time we are trying to work out inside the  
6 Department of Defense.

7 But I would just suggest to you that as an  
8 aftermath of all of that the [REDACTED] has  
9 really served us very well because it serves as a central  
10 repository [REDACTED]

11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED] that provides us careful  
16 command and control by the Office of the Secretary of the  
17 Army.

18 So I think the lesson out of it all is we do  
19 need a central repository and you ought to use it.

20 Q Sir, I only have one more question or perhaps  
21 one more line of questions. You work under and for the  
22 Chief of Staff of the Army and in his absence you are the  
23 Acting Chief of Staff of the Army.

24 A I am.

25 Q So I assume you would be familiar with the

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1 operations of the Joint Chiefs and the Joint Staff?

2 A I am.

3 Q For what it's worth, Admiral Crowe, the  
4 Chairman of the Joint Chiefs, did not find out that we  
5 were shipping TOW or HAWK missiles to Iran until mid-  
6 1986, in late June or early July. He not only did not  
7 know about it prior, had not been informed, not been  
8 apprised, not been asked for his advice or his input with  
9 regard to shipping arms to a country, as you say, that  
10 was on the embargoed list, where we were pressuring our  
11 allies not to ship arms to that country -- that country  
12 was involved in open hostilities with another country in  
13 a war in which we had professed our neutrality; in fact,  
14 it's not inconceivable we ourselves could find ourselves  
15 in hostilities with Iran.

16 So here is our top man in uniform not  
17 knowledgeable and not consulted. If I can ask you for  
18 your opinion, sir, is that the way we ought to do it?

19 A I would recommend that the Chairman of the  
20 Joint Chiefs be apprised of those types of actions.

21 Q So a close hold shouldn't be so close it would  
22 exclude the Chairman of the Joint Chiefs of Staff?

23 A I would think that any activity that goes on  
24 within a military department ought to be privy to the  
25 Chairman of the Joint Chiefs.

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1                   MR. SAXON: That's all I have. Maybe my  
2 colleagues still have something.

3                   BY MR. SABA: (Resuming)

4                   Q     In the period roughly May 1986 did another  
5 agency ask for your agency's assistance in extracting the  
6 hostages from Lebanon?

7                   A     I think that is a matter you will have to take  
8 up with the Chairman of the Joint Chiefs of Staff.

9                   Q     Sir, does the term DRAGON NEAT missile mean  
10 anything to you?

11                  A     Tell me that again.

12                  Q     DRAGON NEAT, two words -- D-r-a-g-o-n, space  
13 N-e-a-t.

14                  A     DRAGON I know. NEAT doesn't ring a bell. I  
15 mean, DRAGON is an anti-tank missile, hand-held, sort of  
16 small missile used by the U.S. Army and the U.S. Marine  
17 Corps. But DRAGON NEAT doesn't ring any bell.

18                  Q     Could it be DRAGON HEAT?

19                  A     DRAGON HEAT?

20                  MR. KREUZER: DRAGON HEAT?

21                  THE WITNESS: DRAGON HEAT? It could be DRAGON  
22 HEAT, HEAT being High Explosive Anti-Tank.

23                  BY MR. SABA: (Resuming)

24                  Q     Sir, do you have any knowledge of any request  
25 from another U. S. agency for a transfer of those

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1 missiles in 1986?

2 A I don't recall, but there may be.

3 Q Do you have any recollection in the period  
4 1985 or 1986 of any transfer of DRAGON missiles to a  
5 third country outside of the usual FMS system?

6 A I just don't recall off the top of my head.  
7 I'd have to go back and research the records. I just  
8 don't recall it. That's not to say there wasn't any; I  
9 just don't recall it.

10 MR. SABA: All right. I have no further  
11 questions.

12 EXAMINATION

13 BY MR. KREUZER:

14 Q Sir, if I may, I'd like to go back and discuss  
15 a little bit about what you were talking about earlier.  
16 It's my understanding that what used to be REDCOM is  
17 going to be the new Special Forces Command or there is  
18 going to be a new --

19 A It's going to be retitled.

20 Q So what we were talking about earlier, it will  
21 be the Special Forces Command?

22 A Yes.

23 Q So would that be headquartered, say, in  
24 Florida and the commander in chief would be there?

25 A That is correct.

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1 Q So they will be building some units. Would  
2 they be sort of like the equivalent of maybe the Soviet  
3 Spetznatz kind of --

4 A Oh, the units are already built. The units  
5 are already built [REDACTED]

6 Q So we have all these folks like we did before,  
7 [REDACTED]

8 A That's correct.

9 Q [REDACTED]

10 A [REDACTED]

11 Q [REDACTED]

12 A That's right.

13 Q So in case of, say, an emergency, probably the  
14 kind of a quick reaction kind of operation, maybe  
15 something like that 18th Airborne Corps operate on the  
16 same quick reaction to an alert situation to move out to  
17 a trouble spot or something like that, or are these going  
18 to be chopped to U&S Commands around the world?

19 A The way it is structured is all of the  
20 peacetime operation of the commander in chief of the  
21 Special Operating Command will do the peacetime training,  
22 and then in either peace, during exercises, or in the  
23 case of hostilities he would chop those forces to the  
24 gaining commander, who is the theater commander --  
25 Europe, Pacific, SOUTHCOM, LANTCOM, those various

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1 commanders.

2 The commanders in chief of those particular  
3 regions would have those forces chopped to him. In other  
4 words, he is a provisioner of forces.

5 Q Are they going to more or less have their own  
6 type exercises or are they going to climb aboard some of  
7 the JCS-sponsored?

8 A They would go aboard JCS-sponsored exercises.

9 Q So to expand a little on what we were  
10 discussing before, I'd like to get it clear these  
11 commanders in chief of the U&S Commands would be gaining  
12 these special units from time to time.

13 A That's right.

14 Q And will these special units have a lot of  
15 unilateral authority to act?

16 A No. They would act under the authority of the  
17 gaining commander in chief. So the peacetime training is  
18 under the commander in chief at Tampa. When it is  
19 committed for wartime use, then they are committed under  
20 the auspices of the commander in chief overseas and they  
21 do not have autonomy at that time. They fall underneath  
22 the command and control of the overseas gaining commander  
23 just like all of the forces.

24 In other words, you take a division out of the  
25 United States and you ship it to Europe, it comes under

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1 the operating cognizance and command and control for all  
2 of its livelihood under the gaining commander in Europe.

3 Q So in consideration of these points you were  
4 pointing out earlier where we have to watch for control  
5 of not only materiel but personnel who are involved here?

6 A Look. What I was trying to explain is in  
7 peacetime you may have an intelligence-gathering  
8 operation that is centrally directed. It may be a result  
9 of a Presidential Finding that begins then to go between  
10 geographical regions of the country simply because you  
11 are following the intelligence lead as it goes from one  
12 area. The man may be in Bern, Switzerland tomorrow and  
13 the next day he may be in Warsaw, the next day he may be  
14 in Tokyo.

15 Well, when you have done all that you have  
16 moved through several geographical regions, and all I'm  
17 saying is that I think the system is well served in its  
18 present mode -- that is to say where the Secretary of the  
19 Army, [REDACTED]

20 [REDACTED] retains centralized control and  
21 observation of all of that, even though the man may move  
22 geographically from point to point.

23 Q Even while he is chopped, going through  
24 different units, commands?

25 A I'm trying to make the distinction between

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1           some of the implied authorities that are associated with  
2           the most recent changes to the law, which says that an  
3           intelligence operative might be in Switzerland and  
4           therefore be expected to report to the CINC/EURA, let's  
5           say, if he's an Army military guy, and he may do that,  
6           but you want the continuity of operations so that the  
7           CINCs, between the two of them, don't come to disjointed  
8           action with respect to the oversight that we have just  
9           been talking about for two hours.

10                         Now that's complicated, and it is not clean.  
11           All I am saying to you is as you look at peacetime  
12           operation you, where you may find there is some gaposis,  
13           the saving grace at the moment is that you have the  
14           Office [REDACTED] that has  
15           total cognizance of everything about that, and there  
16           could be an opportunity for falling through the cracks in  
17           the floor if there is not a central cognizance point  
18           which in our case is located in [REDACTED]

19           [REDACTED]  
20           Q       So that second string will always be from the  
21           [REDACTED]

22           A       I would hope so. All I'm saying is there is  
23           some ambiguity in the current law.

24           Q       I understand the concept now.

25           A       That you asked me for, and I did no

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1 preparation work for. I gave you a spontaneous response.  
2 But based upon what I know of what goes on in the black  
3 program world, when you consider the totality of it --  
4 research and development, special operating forces,  
5 [REDACTED] and the like --  
6 all of those processes we now have a stranglehold on that  
7 in the Office of the Secretary of the Army. I would say  
8 you would not want to give that up through ambiguity in  
9 the law.

10 'You asked me what I thought, and that's what I  
11 think. Now other lawyers, other commanders, other Vice  
12 Chiefs, other Secretaries, might take a different view of  
13 that, but you asked me what my opinion was, and I think  
14 that the lesson of all of this is you want some  
15 centralized control because even as we sit there may be  
16 people who think they are doing the government's business  
17 honestly and legitimately, who make a telephone call to  
18 Ziggy Belcher in some remote place that starts a  
19 particular chain of events going, all thinking that it is  
20 authoritatively approved.

21 So the point about it is we have now invoked a  
22 system, at least in our place, where it's all got to go  
23 through central referral. So I believe that is something  
24 that we have learned that would stand us in good stead as  
25 we proceed down the line, and I believe the Secretary of

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1 the Army is comfortable with it.

2 MR. WINCHESTER: Can we go off for a minute?

3 (A discussion was held off the record.)

4 BY MR. SAXON: (Resuming)

5 Q General Thurman, a few minutes ago you were  
6 talking about the centralizing process and you said that  
7 we need a single repository for review and you said that  
8 would be the [REDACTED]. As we understood your  
9 comments, you were specifically referring, though, to the  
10 office that would administer that, and that central  
11 repository [REDACTED] is that right?

12 A That is right. The notion is a central  
13 referral point, and we call that the [REDACTED]  
14 [REDACTED] an office like that where all the  
15 actions pertaining to [REDACTED]  
16 [REDACTED] or whatever in  
17 a centralized management office [REDACTED]

18 MR. SAXON: General, we have nothing further.  
19 Let me simply say for the record that we appreciate the  
20 fact that you have appeared here voluntarily and have  
21 been very candid with us. You have allowed us to  
22 interview you previously. We have got nothing but the  
23 utmost of support and cooperation from the Department of  
24 the Army, from Secretary Marsh and General Wickham on  
25 down, and Mr. Winchester and Colonel Wallace, and we want

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1 to thank you and all of your people.

2 THE WITNESS: We will be happy to respond to  
3 you in any way we can.

4 (Whereupon, at 4:51 p.m., the taking of the  
5 instant deposition ceased.)

6 \_\_\_\_\_  
7 Signature of the Witness

8 Subscribed and Sworn to before me this \_\_\_\_\_ day  
9 of \_\_\_\_\_, 1987.

10 \_\_\_\_\_  
11 Notary Public

12 My Commission Expires: \_\_\_\_\_

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CERTIFICATE OF REPORTER

I, Michael A. Schaffer, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by ME; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michael Ann Schaffer  
NOTARY PUBLIC

My Commission expires: 2/28/90

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3  
4 DEPOSITION OF STEPHEN S. TROTT5  
6 Thursday, July 2, 19877  
8 U.S. House of Representatives,  
9 Select Committee to Investigate Covert  
10 Arms Transactions with Iran,  
11 Washington, D.C.12  
13 The Committee met, pursuant to call, at 1:30 p.m.,  
14 in Room 2226, Rayburn House Office Building, with Pamela J.  
15 Naughton (Staff Counsel of House Select Committee)  
16 presiding.17 Present: Kenneth R. Buck, Assistant Minority  
18 Counsel, on behalf of the House Select Committee on Covert  
19 Arms Transactions with Iran; W. Thomas McGough, Associate  
20 Counsel, on behalf of the Senate Select Committee on Secret  
21 Military Assistance to Iran and the Nicaraguan Opposition.

22 COPY NO. 1 OF 2 COPIES

23 Partially Declassified/Released on 1-21-88  
24 under provisions of E.O. 12356  
25 by N. Menan, National Security Council**UNCLASSIFIED**

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1 Whereupon,

2                                   STEPHEN S. TROTT

3 having been first duly sworn, was called as a witness herein,  
4 and was examined and testified as follows:

5                                   EXAMINATION

6                                   MS. NAUGHTON: This is the beginning of the  
7 deposition of Stephen Trott. My name is Pamela J. Naughton,  
8 House Staff Counsel to the House Select Committee to  
9 Investigate Covert Arms Transactions with Iran.

10                                  If the people in the room would please identify  
11 themselves?

12                                  MR. McGough: Tom McGough, Associate Counsel to  
13 the Senate Select Committee.

14                                  MR. BUCK: Ken Buck, Assistant Minority Counsel.

15                                  THE WITNESS: Steve Trott, Associate Attorney  
16 General, United States Department of Justice.

17                                  EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

18                                  BY MS. NAUGHTON:

19                                  Q    Mr. Trott, are you represented today for purposes  
20 of this deposition?

21                                  A    No.

22                                  Q    Do you wish to have counsel?

23                                  A    No.

24                                  Q    Now, could you give us just a little background  
25 in terms of your career after graduating from law school?

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1           A     Between 1966 and 1981, I was the Deputy District  
2 Attorney for the County of Los Angeles, serving at various  
3 times as the Head Deputy of the Organized Crime and  
4 Narcotics Division, and Chief Deputy District Attorney.

5                     In 1981, I became the United States Attorney in  
6 Los Angeles for the Central District of California. In  
7 1983, I became the Assistant Attorney General in charge of  
8 the Criminal Division in the Department of Justice here in  
9 D.C.

10                    Last September I was elevated to the position of  
11 Associate Attorney General of the United States.

12           Q     So that is September 1986?

13           A     Yes.

14           Q     Excuse me, when did you become Assistant Attorney  
15 General?

16           A     1983. Summer of.

17           Q     Mr. Trott, it is my intention to just ask you  
18 some questions in some limited areas and not go over all  
19 of the things we went through before.

20           A     Sure.

21           Q     For purposes of the deposition I would like to  
22 start with the case in Miami, which has been named several  
23 things, started out being the Garcia case, and also known  
24 as Corvo, and so forth. It involves allegations involving  
25 the neutrality act and gun running to the Contras, and so  
forth.

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1 Do you know of which case I am speaking?

2 A Yes, generally I do.

3 Q Could you tell us when you first became aware of  
4 this case?

5 A No, I really can't without any documents to refresh  
6 my recollection. I can't even come close.

7 Q Do you recall when -- there came a point in time  
8 in the case in which the Assistant U.S. Attorney and a  
9 couple of FBI agents went down to Costa Rica to interview  
10 people in prison there?

11 Do you recall if you learned about the case  
12 before that?

13 A Yes, before that. Leon Kellner talked to me a  
14 number of times about the case, just essentially describing  
15 what it involved and what was going on. Later on complaining  
16 bitterly about the media and people making allegations of  
17 misconduct on his part.

18 Q Did you first hear about the case from Mr. Kellner  
19 or from someone at main Justice?

20 A I couldn't be able to even guess what the answer  
21 to that is. I just don't know.

22 Q Correct me if I am wrong, I believe last time  
23 in the interview you mentioned that you had spoken about  
24 the case with Mr. Jensen?

25 A I have spoken to Mr. Jensen about it, Mark Richard

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1 about it, I read about it in the newspaper. But I have<sup>5</sup>  
2 no current recollection as to the very first person from  
3 whom I heard about the case.

4 Q Do you recall if you spoke to Mr. Jensen about the  
5 case prior to the FBI agents going down to Costa Rica?

6 A I must have, but again I have no current recollection  
7 of the time sequences on this.

8 Q Did you or Mr. Richard prepare any memoranda  
9 for Deputy Jensen?

10 A I don't believe so, and I asked Mark recently  
11 about that, and all he did was provide to me a memo that  
12 the FBI had prepared for Mr. Jensen. I think it was from  
13 the FBI to the Deputy Attorney General, who would have been  
14 Mr. Jensen, and attached to it was a note from me to Mark  
15 saying, indicating that Lowell wanted Mark to keep an eye  
16 on the case, something to that effect. I am sure you have the  
17 note. I do in my office. I should have brought it.

18 Q Were you given a copy of this FBI memo?

19 A At the time, for my own files, I don't think so,  
20 but I did see it.

21 Q Do you have it with you now?

22 A No, it is in my office.

23 Q Would you be kind enough to provide a copy to the  
24 committee?

25 A You have never seen that memo?

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1 Q No, no. I have never seen that.

2 A Okay. I can probably get it over here right now,  
3 if you let me use the phone.

4 Q That would be fantastic.

5 Off the record.

6 (Discussion off the record.)

7 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

8 BY MS. NAUGHTON:

9 Q Do you recall when you read the memo, whether it  
10 be then or now, if it made any reference to the National  
11 Security Council or to Oliver North?

12 A I have not read it in a long time. I just got it  
13 this morning for the purpose of reading it, but I didn't  
14 read it, so why don't we wait until it comes over and you  
15 have a copy of it.

16 Q Okay.

17 Do you know what Mr. Jensen did with the memo?

18 A From my own personal knowledge, no, although I  
19 believe he may have used it to brief somebody in the National  
20 Security Council, but that is just a sense that I have. I  
21 wasn't there, as I say, I don't know specifically what he  
22 did with it.

23 Q Were you aware that he had received an inquiry  
24 from the National Security Council about the case?

25 A I think I have learned subsequently that he did.

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1 Q Do you know who at the National Security Council  
2 made the inquiry?

3 A No, I don't.

4 Q Do you know who it is that Mr. Jensen briefed  
5 at the National Security Council?

6 A No, I don't. As I say, I was not with him.

7 Q Were you aware at the time that he was going to  
8 brief someone at the National Security Council?

9 A No, I don't believe I was.

10 Q When did you learn that?

11 A It has to have been some time after all the fur  
12 started to fly.

13 Q How did that come up?

14 A Well, I was generally aware of this case, but  
15 not paying that much attention to it. It was something  
16 that was on my radar screen, and I know Lowell was aware  
17 of it, and he asked me to ask Mark Richard to keep an eye  
18 on the thing, ~~wh~~<sup>ich</sup> is standard operating procedure whenever  
19 you had a case with those international ramifications to  
20 them. But it really started to surface on my screen when  
21 the allegations started to come out that either Jensen or  
22 Meese had said something to Kellner in the nature of, manage  
23 the case so that nothing happens with it. That is when Leon  
24 Kellner went ballistic and was just furious and called me  
25 up, and mad as hell, and told me that nobody ever said

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1 anything like that to him and he was sick and tired of the  
2 BS and blah-blah this and blah-blah that, and he only talked  
3 to Meese on a couple passing occasions about it, and  
4 Lowell may have inquired as to the status of it once, but  
5 that is it. That is when I really began to track that  
6 there was something involved in the case, more than just the  
7 usual case.

8 Q Did you meet with Mr. Kellner in August of 1986?  
9 If I can refresh your recollection, he brought with him some  
10 affidavits in your civil law suit.

11 A August 1986?

12 Q Yes.

13 A Don't you have a better date?

14 Q It would have been latter August?

15 A I remember meeting with Leon in my office on a  
16 couple of occasions. I guess the record ought to reflect  
17 that I have my appointments book before me for the year 1986,  
18 which you are welcome to look at, if you want.

19 I don't show anything in my book. I do have a  
20 hazy recollection of meeting with Leon on the case when,  
21 but I don't remember when. I can check my phone logs.

22 If this is wasting your time or taking -- here  
23 is a call from Kellner on August 4, at 11:44 in, 1:45 out,  
24 so I talked to Kellner August 4.

25 Here is Kellner August 5. That may have been just  
a call in, I don't show -- no, wait, that is out.

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1 Q Well, the timing is not that critical for purposes  
2 of my question.

3 A Okay.

4 Q My question, I guess, is simply in relation to  
5 a summer conversation with Mr. Kellner or visit from Mr. Kellner,  
6 did he ever express to you any concerns about any -- any  
7 political concerns about the Garcia, or that politics were  
8 involved, or any statement about the substance of the affidavits  
9 and Senator Kerry?

10 A Leon Kellner never told me that somehow politics  
11 were influencing his decisionmaking. To the contrary,  
12 he at all times stated he was making all the calls on the  
13 case based on the facts, based on equity, on the interests  
14 of justice, and I am repeating myself, but he was mad as hell  
15 that people were insinuating that something else was happening  
16 in the case. So many people -- he beefed to me that some  
17 of Kerry's people were mucking around in it. But that was  
18 about all.

19 Q Did you know or did you ever hear of anyone at  
20 the Department of Justice telling Mr. Kellner to slow down  
21 on the investigation?

22 A No.

23 Q Did you brief Mr. Jensen on the investigation  
24 when it first came to light?

25 A If I did, it was no more than 30 seconds. I

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1 may have told him that there was a case down in Miami  
2 involving allegations of gun running and things like that,  
3 but nothing in detail.

4 Q Did you ever brief the Attorney General on the  
5 case?

6 A I have no recollection of ever briefing the Attorney  
7 General on it.

8 I am hesitating -- I don't even know whether I have  
9 talked to him about it after. I very well may have told  
10 him at one point that Kellner -- very well may have mentioned  
11 in Lowell's presence that Kellner was mad that people were  
12 insinuating that something was funny in the case.

13 Q Do you recall what either the response of the  
14 Attorney General or Mr. Jensen was?

15 A No. There was no notable response.

16 Q Did you ever speak to anyone from the National  
17 Security Council about this case?

18 A Who from the National Security Council -- North?  
19 no. I don't think I have ever spoken to Poindexter or  
20 McFarlane ever.

21 Who else, can you give me some names? I don't think  
22 so.

23 Q Those would be the main ones we would be interested  
24 in.

25 A No.

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1 Q Did you ever speak to Buck Revell about this  
2 case?

3 A Buck Revell about this case?

4 I must have. I must have, but I don't remember.

5 Q Did he ever mention to you briefing anyone at  
6 the National Security Council?

7 A No.

8 Q I think those---

9 A If he did, I don't remember it.

10 Q Those are the only questions I had on that  
11 area.

12 I will leave it to my colleagues to follow up,  
13 if they want to.

14 MR. MCGOUGH: Do you want to do that at this time?

15 MS. NAUGHTON: It might be best.

16 EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

17 BY MR. MCGOUGH:

18 Q Mr. Trott, I recognize you don't remember exactly  
19 when Kellner or the Miami investigation came to your  
20 attention, or who brought it to your attention. Do you  
21 remember why?

22 A I very well could have read about it in the newspapers  
23 for the first time.

24 Q But do you recall why it was brought to your  
25 attention?

A No, it came to my attention in no different way

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1 than the kinds of cases that happen in the Department of  
2 Justice come to my attention.

3 Q I believe you said that he---

4 A Nothing sticks out in my mind.

5 Q I believe you said that you had learned subsequently  
6 that Mr. Jensen may have received an inquiry from the  
7 NSC; is that correct? There was a series of questions  
8 where you were asked if Mr. Jensen used the memo to brief  
9 the NSC, and I believe you said that you thought that was the  
10 case, but you didn't know from personal knowledge?

11 A Right.

12 Q You were asked whether you knew -- whether Mr.  
13 Jensen had received an inquiry about the case from the NSC  
14 and I think you said you learned subsequently about such a  
15 contact?

16 A I think so, but these are things to which I was  
17 not a witness.

18 Q Do you remember how that might have come to your  
19 attention?

20 A I think that didn't come to my attention until  
21 after this investigation started last fall, when all the  
22 information started to float around. I don't believe I had  
23 any information as to that at all, until long after the  
24 fact.

25 Q What information did you receive about that?

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1 A You mean after the fact?

2 Q Yes, after the fact. What were you told?

3 A Somebody told me, I think it may have been Mark  
4 Richard, that I had a note on one of the memos asking him  
5 to keep an eye on it, and I got that. That is what I am trying  
6 to get over here, so I can show you the note that I wrote.  
7 It probably has a date on it. It would reflect the con-  
8 versation that I had with Lowell, where he asked me to have  
9 Mark keep an eye on it. Mark Richard is the guy who would  
10 watch those kinds of things in the ordinary course of the  
11 Department of the Justice.

12 Q And what about that led you to infer or conclude  
13 that Mr. Jensen had had an inquiry from the NSC?

14 A Mark may have said something to me about it.  
15 I don't know. I have talked to Mr. Jensen about it since  
16 the thing came up, came around. But I think he told me he  
17 may have had an inquiry from the NSC. I didn't ask him  
18 any great detail about how the memo came to be, but I am  
19 pretty sure he told me he may have had an inquiry. I am  
20 not positive of that.

21 Q I know we are going to get it ultimately, but  
22 just for the sake of contextualizing my questions and not  
23 breaking up the continuity, do you remember the date on the  
24 note, or was there a date on the note to Mark Richards?

25 A I didn't look at it this morning. It is the only

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1 thing I didn't bring over here -- wait a minute. Let me  
2 triple-check something -- No, it looks like it didn't  
3 come in this.

4 Q It will be over here, I just wondered if you  
5 had noted that?

6 A No, there are two of these and it is the other  
7 one.

8 Q You mentioned that you had a conversation with  
9 Mr. Jensen in which he may have indicated that he had  
10 gotten an inquiry from the NSC. Do you remember when  
11 that conversation took place?

12 A A couple months ago.

13 Q What was the occasion for the conversation?

14 A I talked to him periodically, he and I are  
15 very good friends, and I call him up and I tell him, for example,  
16 the Hamadei case isn't going well; a lot of stuff he worked  
17 on when he was in the department, and I think it was the  
18 occasion of he told me that, I guess, this committee was coming  
19 out to talk to him about it.

20 As a matter of fact, he told me that yesterday  
21 again when I was talking to him, that you were on your way  
22 out there next week to talk to him about it.

23 Q Did he indicate who at the NSC may have inquired  
24 about it?

25 A I don't recall. I didn't get into it in any

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15

1 detail at all.

2 Q I notice you were referring to your telephone  
3 logs?

4 A Yes.

5 Q While we have them in front of us, do they reflect  
6 a call to or from Leon Kellner on April 4, 1986?

7 A No, I looked at that before I came over here because  
8 it is in a letter. April 4, 1986, right?

9 MS. NAUGHTON: For the record, the committee sent  
10 a letter to the Department of Justice recently asking for a  
11 telephone log or logs.

12 THE WITNESS: Yes, you can look at all this stuff  
13 if you want.

14 It has driven me crazy. Here is March-April 1986.  
15 You want April 4?

16 MR. McGOUGH: April 4, yes.

17 THE WITNESS: Absolutely crazy. If I ever leave  
18 the government, I won't come back simply because I am  
19 never going to go through this again.

20 MS. NAUGHTON: When you have to rule on discovery  
21 issues, you will be in empathy with the parties.

22 THE WITNESS: Here is April 1986. I went over  
23 this with my secretary. This is not her regular writing,  
24 but you can see -- wait. I am showing you March 31, Dr.  
25 Mark, a personal friend. Steve McMee, U.S. Attorney in

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16

1 Arizona, and Art Grubb, used to work for the organized crime  
2 unit. Up here, you have Darryl McIntyre, White House  
3 tickets -- Assistant U.S. Attorney in LA, coming back to  
4 Washington and wanted to visit the White House.

5 Judy Freedman; Steve Sullivan, the AUSA in LA.  
6 Pete Nunez, U.S. Attorney in San Diego. Meulenberg, DOJ  
7 lawyer; Doug Bailey, Charlie Heitiger, worked on the Hill;  
8 Bob Werthein, then back to April 2.

9 EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

10 BY MR. MCGOUGH:

11 Q This is the entry for April 4?

12 A Yes.

13 Q Can you tell me a little bit about how these  
14 logs are compiled?

15 A Usually my secretary, who is working there, makes  
16 notes of incoming and outgoing calls. These are not  
17 complete. She misses some on occasion, and I must admit  
18 I am bad, sometimes I make calls and don't tell her.  
19 Sometimes I pick up the phone myself and answer it myself.

20 Q So these would be calls which she was directly  
21 related. She placed it or received it?

22 A Yes. As I say, these are not -- this is not her  
23 handwriting either, this is somebody else's handwriting.  
24 But this is her's starting here. There are a lot of Kellner --  
25 some Kellner calls in here around that date.

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1 MS. NAUGHTON: Could you, while you are there,  
2 check April 11?

3 THE WITNESS: Sure.

4 Mark Richards, Gerry Martin, DiGenova, so on.  
5 McGinnis; the garbage call; Jack King; Tom Greelish, Doug  
6 Bailey; Gary Shone; Buck Revell. Then it goes to the 14th.

7 Was that a Friday, the 11th?

8 Anything else? .

9 MS. NAUGHTON: No.

10 EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

11 BY MR. MCGOUGH:

12 Q Not on the telephone log, I don't think.

13 Am I correct, did you not make the trip with the  
14 Attorney General, with General Meese, and Mr. Jensen, when they  
15 visited the wounded FBI agents in the hospital in Miami?

16 A I made the trip, but I went a different way. That  
17 was the Cancun trip; right?

18 Q That is right.

19 A I went to Florida and they went somewhere else.

20 I was down there when they met with the Mexican people.

21 Q Did you ever discuss the case of the investigation  
22 you are referring to with anyone else in Mr. Kellner's office,  
23 other than Leon Kellner himself?

24 A He has a woman who is a press officer, something  
25 like that.

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1 Q Ana Barnett?

2 A Yes, I may have talked to her about some part of  
3 the stuff that was going on, but it was nothing of substance.  
4 And the lawyer that everybody is worried about, what is  
5 his name?

6 Q The assistant on the case?

7 A Yes, who supposedly wrote the memo?

8 Q Mr. Feldman.

9 Q I don't know him. I have never talked to him.

10 Q How about Mr. Gregory?

11 A I don't think so.

12 Q Mr. Sharf, or s-h-a-r-f, or s-c-h --

13 A Jerry Sharf?

14 Q Yes.

15 A No.

16 Q You know him?

17 A I knew since Philadelphia.

18 Q But you haven't spoken to him?

19 I think it is Larry Sharf.

20 A Larry Sharf, that is right; yes. I haven't spoken  
21 to him since Philadelphia.

22 Q Did you ever see the memorandum sent by Mr. Feldman  
23 to the Justice Department, sent over Mr. Feldman's signature,  
24 and sent by Mr. Kellner to the Justice Department?

25 This would have been about a 20-page memorandum,

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1 dealing with the case?

2 A I have seen all kinds of stuff from it, after the  
3 fact. Again, when all this investigation started, mostly  
4 in the newspapers, but I don't think I have -- no, I don't have any  
5 recollection of it, at least.

6 Q Did you ever request such a memorandum from Mr.  
7 Kellner?

8 A I don't believe so.

9 Q Do you ever recall discussing with Mr. Kellner  
10 the advisability of going to a grand jury with any evidence  
11 in the case?

12 A Prospectively?

13 Q Prospectively. In other words, discussing with  
14 him whether or not the case should go to the grand jury?

15 A No, but I think at various points he has told me  
16 that he was going to handle it right, and it was going to  
17 go, when he decided it was going to go, but this may have  
18 been a lot of yelling and screaming that he was involved in,  
19 after he got so mad that people were accusing him of  
20 misconduct. But I don't have any recollection of a meeting  
21 during -- wherein we discussed the advisability or the timing  
22 of any grand juries.

23 Leon, as far as I was concerned, was making all  
24 the decisions himself, down in his office. The only thing  
25 I have ever told him was I agree with you, Leon, keep doing

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1 it right.

2 MR. MCGOUGH: I think that is all I have.

3 THE WITNESS: Have you deposed him, or talked to him  
4 about this?

5 MS. NAUGHTON: Yes, we have.

6 THE WITNESS: Was he calm?

7 He wasn't calm when I talked to him.

8 MS. NAUGHTON: Probably relatively.

9 MR. MCGOUGH: That is all I have.

10 MR. BUCK: I don't have any questions.

11 MS. NAUGHTON: Okay.

12 Moving right along, now I would like to get into  
13 the Iranian arms transactions and your involvement in the  
14 investigation.

15 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

16 BY MS. NAUGHTON:

17 Q Prior to the Attorney General's press conference  
18 on November 25, 1986, did you have any contact with the  
19 legal analysis of the Iranian arms transaction or investigation?

20 A Absolutely none. I never -- I had never heard  
21 a word about any of that until the press conference. The  
22 whole thing came as new information to me as I was watching  
23 it on television.

24 Q Certainly you were aware that the United States  
25 had sold arms to Iran before that?

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1           A     I was?

2           Q     Well, the papers had printed stories up until  
3 then that there was an Iranian arms sale, it wasn't until  
4 the Attorney General's press conference that it was stated  
5 there was a diversion to the contras.

6           A     That is probably so, from the newspapers. But I  
7 had not paid any attention to that at all.

8           Q     Well, let me ask it this way. The Evans case in  
9 New York arose about that time, and the defense apparently  
10 brought up the issue that perhaps these were government-  
11 sponsored shipments and should not -- and therefore, the  
12 indictments should be dismissed, and the government had to  
13 respond to that.

14                   This is in the time frame of mid-November,  
15 early November 1986?

16           A     I do know about the Evans case, you are right.  
17 So, hang on a second. You are probably right. I did know  
18 about the Iranian arms sale -- I knew about it when it became  
19 public, but in any case, I didn't know about it beforehand. You  
20 are right. The whole contra thing, I didn't know anything  
21 about it until it got on television. Whenever the whole  
22 thing got public, yes, I knew about it. But from having read  
23 about it in the newspapers, not from any information I  
24 received as a member of the Department of Justice.

25           Q     Let me ask you about that Evans case for a minute.

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1 When the request came in from Mr. <sup>quilliani's</sup> ~~Quilliani's~~ office 22  
 2 to somehow certify that his case had nothing to do with the  
 3 government-sanctioned Iranian arms sales, were you involved  
 4 at all in those discussions?

5 A Yes, I talked to Lowell about it, and Mark Richard  
 6 about it, and there was concern that we get accurate information  
 7 and I am pretty sure we talked to the Attorney General about it,  
 8 and we eventually got back information from someplace,  
 9 I don't know where, that there was no connection. That  
 10 the Evans case was quote "clean."

11 Q Did the Attorney General take this to the National  
 12 Security Council?

13 A I never asked him; I don't know.

14 Q He didn't mention to you that he was going to  
 15 speak to Admiral Poindexter or anyone else?

16 A He may have. I have a vague recollection of some  
 17 talk about Poindexter being involved in it. Mark Richard  
 18 probably has a better recollection of this than I do.

19 Q Was Mr. Weld involved in these discussions at all?

20 A I think so.

21 Q Was it ever expressed to you or in your presence  
 22 that perhaps the Attorney General shouldn't involve himself in  
 23 gathering the facts?

24 A Shouldn't?

25 Q On these issues?

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23

1 A Gather the facts on what issues?

2 Q On the Iranian arms sales issues?

3 A You are broadening the whole thing now?

4 Q I say either in the context of the Evans case,  
5 or in the context of the government-sanctioned NSC arms  
6 sales?

7 A Not until I told him after the news conference,  
8 and I can find specifically in my notes that he may appear  
9 to be a fact witness, and that was one thing that should be  
10 taken into consideration in the independent counsel decision.  
11 That is the only time that I was ever involved in something  
12 that sounds like that.

13 Q Okay. Okay.

14 A I can probably pinpoint that in my notes, if you care  
15 to have me do that. You have a copy of this; don't you?

16 Q We just got it last night. I want to get to that  
17 later, but I want to lead up to the press conference, if I  
18 may..

19 The week before the press conference, say, starting  
20 from November 16, and on, were you in Washington at the  
21 Department of Justice during that week?

22 A I left that week to go to Connecticut, but I was  
23 there, let's see, I was there the 17th, I was there the 18th,  
24 I was there the 19th, I was there the 20th, and I was there  
25 the 21st, and I left at 3:59 p.m., on U.S. Air for Hartford,  
Bradley, Springfield. I was gone on the 22, and I came back

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1 on the 23rd.

2 Q 23rd is a Sunday?

3 A Yes.

4 Q Now, prior to November 21, then were you aware  
5 that Assistant Attorney General Cooper and the Attorney  
6 General were participating in the drafting of Mr. Casey's  
7 testimony before the House Intelligence Committee?

8 A No; here are my calendars; copies of my calendars, by  
9 the way, if you want them for the times I just referred to.

10 Q May we keep those copies?

11 A Yes.

12 MS. NAUGHTON: If we could mark these---

13 THE WITNESS: 21 through 29. You are welcome  
14 to take a look at the originals I have with me, if there  
15 is any part of that that is blurry.

16 (Exhibit No. SST-1 was marked for identification.)

17 THE WITNESS: Here is December 1 to December 31,  
18 unredacted.

19 (Exhibit No. SST-2 was marked for identification.)

20 MS. NAUGHTON: Let the record reflect that  
21 Deposition Exhibit No. 1, includes the November dates of  
22 the 21st through the 30th; and the Exhibit No. 2 represents  
23 December 1 through the 31st of December.

24 THE WITNESS: Then you have a copy of the chronology  
25 notes that I kept between November 25 and the beginning of  
the year? That is what that is in your file?

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1 MS. NAUGHTON: Yes, we do. We got these last  
2 night. So long as we are on it, let me ask you one question  
3 about.

4 BY MS. NAUGHTON:

5 Q Were these made contemporaneously, or after this  
6 had all happened and you went back to reconstruct?

7 A Both. You will see the first entry says, reconstruct,  
8 11-28. Shortly after this whole thing started I began  
9 to keep this notebook, and it was on November 28 that I  
10 started to do that, and the first entry was November 25.

11 I went back and reconstructed for the 25th, and  
12 everything up to the 28, then they were kept pretty much  
13 contemporaneously. Sometimes I would write it as it was  
14 going on; other times, 10 minutes later, one minute later,  
15 two hours later; but I was trying to keep up with what was  
16 going on. Also, I have a typed copy of that, too, which  
17 is a lot easier to read. My handwriting is impossible.

18 Q Would it be possible, during a break in the  
19 deposition, for us to make a copy of the typed version,  
20 because in going through your hand-written version -- we can  
21 make a copy of this?

22 A Sure.

23 Q Thank you.

24 A I think that is accurate, that is a typed copy that  
25 I just handed you.

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1 Q We appreciate that very much.

2 I had a little difficulty this morning.

3 A You can't believe how long it took us to do that.

4 My secretary tried it the first time, it must have had  
5 4000 errors in it.

6 MS. NAUGHTON: Off the record.

7 (Discussion off the record.)

8 BY MS. NAUGHTON:

9 Q Back on the record.

10 Mr. Trott, you just said that you had recovered  
11 the notation that you made to Mr. Richard regarding the  
12 Garcia case, do you want to tell us what that is?

13 A I just talked to my secretary. She pulled it out  
14 of my box, and read me a note dated March 24, indicating that  
15 it was a note that I sent to Mr. Richard, indicating that  
16 Lowell Jensen was going to give a briefing to the NSC on  
17 the whole matter; and that file is on its way over right now.

18 Q Thank you.

19 And, therefore, I would assume that if you put the  
20 note on there, you knew that Mr. Jensen was going to go to  
21 the NSC?

22 A Yes.

23 Q When you wrote the note?

24 A That would indicate to me that he told me he was  
25 going to do that.

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1 Q Getting back to the third week, I guess, in November  
2 of 1986, in looking at your calendar for Friday the 21st, I  
3 gather here you attended a staff meeting at 8:30 in the  
4 morning?

5 A Yes.

6 Q Do you have any notes of that meeting?

7 A No.

8 Q Does anyone regularly take notes at the morning  
9 staff meetings?

10 A You mean like minutes?

11 Q Or just a designated notetaker?

12 A Cathy Appiard, the AG secretary, sits in there  
13 behind me. She has, I have never really looked, I have a  
14 recollection of some sort of a notebook in her hand, but I  
15 don't know what she is doing. The Attorney General himself  
16 sits there with a yellow tablet and writes subject matters  
17 and some notes to himself, but I have never really seen or  
18 reviewed those. Those are his own.

19 Q Okay.

20 Do you know if John Richardson takes notes?

21 A Well, he takes notes, but I mean not as a secretary  
22 or a minute taker, but he does take notes. We all take  
23 notes, of one degree or another. Like the Attorney General  
24 asks me to call somebody and I have this thing that says,  
25 "to do," and I just write down, you know, what I am supposed

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1 to do, and I check it off, so I take notes to that extent .

2 Q Do you know whether or not you took any such notes  
3 on Friday morning the 21st?

4 A I have no way of knowing because sooner or later  
5 I throw all that stuff away. But I can tell you for certain  
6 that the investigation being conducted did not come up.  
7 Whether it was intended to or not, I don't know. But I  
8 never heard about that until the press conference.

9 Q Did the general subject of Iranian arms sales  
10 come up during that meeting?

11 A I don't know, I don't remember it coming up.

12 Q Do you recall who was in attendance at the  
13 meeting?

14 A No. I can tell you who the regular players  
15 are, but I have no way of telling you who was there on any  
16 particular day.

17 Q Tell me who the regular players would be?

18 A The Attorney General, the Deputy Attorney General,  
19 the Associate Attorney General, John Bolton; John Richardson,  
20 Charles Freed; Bill Weld, Steve Galbach, Cribb, whenever he  
21 was around; Joe Morris, Steve Markman, M-A-R-K-M-A-N---

22 Q Who was that?

23 A He is the Assistant Attorney General in charge of  
24 the Office of Legal Policy.

25 Randy Levine, he is an Associate Deputy to Mr. Burns.

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1 either Terry Eastland or Pat Corton in the National Office  
2 of Public Affairs, and then I may have missed somebody,  
3 but that is the usual cast of characters.

4 Q Okay.

5 A There is an 8:10 meeting before the 8:30 meeting  
6 usually.

7 Q Who would that normally include?

8 A That is the Attorney General, the Deputy Attorney  
9 General, the Associate, the counselor to the Attorney General,  
10 and Chief of Staff John Richardson.

11 Q Give me that again; Attorney General, Deputy---

12 A Counselor to the Attorney General, and Chief of  
13 Staff, just five of us.

14 Q Do you recall whether or not at the 8:30 meeting  
15 there was any discussion or anybody brought up the subject  
16 of whether or not the Criminal Division should take a look  
17 at the Iranian arms sale?

18 A I don't believe so.

19 Q Do you recall whether you would have attended  
20 the whole meeting or whether you would have left early?

21 A Oh, 99.9 percent of the time I attend the whole  
22 meeting. Only on rare occasions do I not, such as this  
23 morning when my wife called me up and said, where are my  
24 car keys? I was running the meeting this morning and had  
25 to leave to figure out where her car keys were, but usually

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1 I am there the whole time.

2           You should talk to Bill Weld on this subject,  
3 though.

4           Q     Why is that?

5           A     Because he was in charge of the Criminal Division,  
6 and I think he did have a conversation with Meese about this  
7 at some time. When it was, I don't know.

8           Q     What did Mr. Weld tell you?

9           A     He told me that Mr. Meese had explained to him  
10 why the Criminal Division had not been brought in or was  
11 not being brought in, or something like that.

12          Q     And what did he tell you Mr. Meese had said about  
13 why the Criminal Division wasn't brought in?

14          A     He just said that Meese had called him and told  
15 him the Criminal Division was not being brought in. I didn't  
16 ask him what reasons did he have for not doing that. And  
17 I didn't find out about this until after the weekend.

18          Q     Was it shortly after the weekend, or currently,  
19 or do you recall?

20          A     It was probably during the week of November 24.  
21 It has to have been after noon on November 25.

22          Q     So, it was after the press conference?

23          A     After the press conference and before the  
24 end of the week. Either Tuesday, Wednesday, or Thursday,  
25 or Friday, I remember Bill telling me something about that.

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1 Q In what context did this conversation come up?

2 A Just in the general context of discussing the whole  
3 thing.

4 Q All right.

5 What was -- was it your feeling that the Criminal  
6 Division should have been called in earlier?

7 A Not at that time, no, because I didn't see any --  
8 the way it was described to us, there was no predicate for  
9 a criminal investigation at that time. That Mr. Meese was  
10 simply gathering the facts in order to make sure that  
11 they were fully known by everybody involved, and that any  
12 testimony that was going to be prepared would be  
13 completely honest and accurate. And we were told, I was  
14 told there was no -- it was not a criminal investigation  
15 in that there was no predicate for a criminal investigation  
16 that had been perceived by anybody. As a matter of fact, the  
17 first meeting that we held was in order for Meese to ask that  
18 the criminal experts discover the facts so they could  
19 discern whether there was a predicate for a criminal  
20 investigation and whether the FBI ought to be brought in.

21 I can refer to my notes, Tuesday November 5 -- 25,  
22 1986, and 12:05 p.m., press conference, followed by meeting  
23 with EM 3 in his office. Meese briefs group, requests that  
24 I assemble the best Criminal Division legal analysts to  
25 examine the knowfacts to determine in the light of the contra

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1 revelations if any criminal statutes are implicated.

2 Then I went through and identified Mark Richard and Bill  
3 Weld as people who ought to sit down immediately, ASAP,  
4 with Cooper to go over what they had found, and to discern  
5 whether there was a possible criminal predicate in all of  
6 that.

7 Q Well, you stated that at the time when you learned  
8 that the Attorney General's first purpose was to investigate  
9 the discrepancies in the prepared testimony that Mr. Casey  
10 was to deliver, that there was no predicate for involving  
11 the Criminal Division at that time; however, once the diversion  
12 memo was found on Saturday, around noon, on the 22nd of November,  
13 did you feel that at that point the Criminal Division should  
14 have been involved?

15 A I didn't stop to think about it in those terms  
16 at that time.

17 Q What is your opinion now?

18 A Opinion now?

19 Q Yes?

20 A It would have been appropriate to bring in the  
21 FBI at that time. It would have appropriate to bring in  
22 the FBI -- it is awfully hard to pinpoint, but probably  
23 after what I understood from watching television, was Sofaer's  
24 second conversation with Chuck.

25 Q On November---

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1           A     This is with the benefit of hindsight. I can  
2 say that now because I have seen you refer on television to  
3 things that I had never heard of before, like what they  
4 call the PROF.

5           Q     PROF messages?

6           A     PROF messages and things like that. So I am possessed  
7 of so much new information it is very difficult for me to  
8 separate the new information and view it only perspectiveally  
9 from where Chuck and everybody else was.

10          Q     Well, let me put it this way then. In these  
11 terms. And let's put it at Sunday evening then when Mr.  
12 North is interviewed by the Attorney General with Mr.  
13 Richardson, and Reynolds, and Cooper, and verifies that, indeed,  
14 there was a diversion of funds and described in detail how  
15 it was done. Just given those facts of the diversion memo,  
16 and Mr. North's corroboration of the facts in the memo,  
17 do you feel it would have been appropriate at that time to  
18 involve the FBI and the Criminal Division?

19          A     On the basis of that only, it could have been  
20 appropriate, but I don't think if you just view it as that  
21 alone, that it would have been necessarily inappropriate to  
22 do what was then done. I understand the Attorney General  
23 still did some checking to see whether this in some way had  
24 been sanctioned, so, again, I say I don't know whether it  
25 was inappropriate, but had somebody brought in the FBI

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1 at that point, it wouldn't have been inappropriate.

2 Q You mentioned that there were many new facts you  
3 learned after listening to Mr. Cooper's testimony over  
4 the television?

5 A Yes.

6 Q Can you tell us what some of those were?

7 A Nearly all of it. I didn't know the precise  
8 details of the first entry of Chuck into the matter, for  
9 example, and I didn't know what Chuck's mission was.

10 I did not know that Chuck and the Attorney General  
11 and the rest of the group had sat down after having received  
12 what has been identified as a generally accurate chronology  
13 from the CIA and NSC, to go over the testimony. I did not  
14 know anything about what happened at that meeting.

15 I did not know that Oliver North began to change  
16 the testimony and indicate in a meeting that nobody in the  
17 United States Government knew that Hawk missiles were  
18 involved. I did not know that shortly thereafter that  
19 Sofaer called and started to raise the roof. I knew none  
20 of the stuff in the Sofaer deposition that came out. I  
21 didn't know that Chuck called the Attorney General at West  
22 Point. I didn't know that Sofaer had a couple of conversations.

23 I didn't know that Sofaer raised the contemporaneous  
24 notes. I didn't know anything about that. I didn't know  
25 anything about the PROF messages. This all came as news

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1 to me. And I didn't know some of the details, sketchily  
2 known they had interviewed people and all that, but all that  
3 first business with the -- I guess the record should show  
4 that my secretary has just come into the room and delivered  
5 to me a document titled, "secret."

6 You might want to interrupt and hit this?

7 Q Might as well; yes.

8 A Okay.

9 This is the original -- this is a copy, too; no.  
10 Mark must have the original.

11 This is a routing and transmittal slip. This is  
12 Mark Richard's handwriting that I identified. It says,  
13 "3-26-86, spoke to Kellner, AUASA not back from NO." I  
14 don't know what NO is.

15 Q New Orleans.

16 A "File contra folder," these are Mark Richard's  
17 initials. The second is a routing slip and transmittal slip  
18 in my hand, "3-24-86" to Mark Richard. It says, "Coordination  
19 and see me"; and it says, "Please, get on top of this,  
20 DOJ is giving heads up to the NSC." He would like us to  
21 watch over it. "Call Kellner, find out what is up, and advise  
22 him the decision should be run by you."

23 That would be Mark.

24 Then this is a memorandum that I referred to earlier  
25 from the FBI to the Deputy Attorney General, which

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1 would have been Lowell. This shows -- this writing down  
2 here, SST 3-24-86, shows that it came to my office. This is  
3 the control slip; the secretary would write on it. So I  
4 got this -- I don't know where I got it.

5 And this is what I sent down to Mark, and this  
6 speaks for itself.

7 This is a copy you can have.

8 You are entitled to have secret classified  
9 information?

10 Q Yes.

11 A Are you sure?

12 May the record reflect she has said, yes; and I am  
13 handing it to her.

14 I thought you had that?

15 Q No. I have never seen it before, and I have  
16 gone through all the documents that we have.

17 end jm

18 take #2 fls

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#2

SLK 1

1 MS. NAUGHTON: Off the record.  
2 (Discussion off the record.)  
3 THE WITNESS: You will notice in here it says the  
4 FBI has pursued this investigation with concurrence of the  
5 Internal Security Section of the Department of Justice.  
6 Mark Richard is the supervisor of the Internal Security  
7 Section of the Criminal Division of the Department of  
8 Justice.  
9 BY MS. NAUGHTON:  
10 Q Okay.  
11 If we may go back --  
12 A To what else I had not learned?  
13 Q Yes, to what else.  
14 A Most of it came as new information to me. As I  
15 said, the PROF notes, all that stuff was new. I had not  
16 heard anything about McFarlane briefing Shultz. As I said,  
17 the contemporaneous notes, all that came as new information.  
18 Q So when you were briefed, in other words, by Mr.  
19 Cooper and the Attorney General and Mr. Reynolds and  
20 Richardson on the 25th and 26th of November, this outline  
21 was not communicated to you?  
22 A See, I wasn't really briefed. My job was to set  
23 up the structure to handle this thing, not to be either  
24 the lawyer on the case or to be the investigator or to  
25 actually find out what happened. If you take a look at the

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SLK 2

1 notes, you will see--I am more of an organizer in my function  
2 --first Meese wanted to get the Criminal Division people  
3 in to listen to whatever information it was they had, and  
4 it was never completely clear to me everything they had.  
5 The contra memo was the thing that kept jumping up and down  
6 like some sort of a jack-in-the-box.

7 So, I did get Mark and Bill and say, "Okay, sit  
8 down with Chuck and find out from Chuck what is involved  
9 and then come back and tell us." So, I never got any of the  
10 original information at that point. I did not sit in with  
11 the FBI when it interrogated or questioned Chuck and Brad  
12 and John Richardson and all the rest. I sat in briefly  
13 when Ed Meese talked to them, but that was about it. I  
14 was more involved in organizing it rather than finding out  
15 what happened.

16 Q Mr. Trott, you referred to the second Sofaer  
17 conversation with Mr. Cooper. Are you referring to the  
18 one on Sunday?

19 A I don't know when they took place. I--my  
20 recollection is that there was a first conversation with  
21 Sofaer and Cooper and a second conversation. I say second  
22 because I think I remember it was the second one where  
23 Sofaer said, "We got notes of this where McFarlane said  
24 that there were Hawk missiles involved."

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SLK 3

1 Q So, as of that point, would it have been, in your  
2 opinion, wise at that point to call in the Criminal Division  
3 to find out exactly what was happening at that point,  
4 being, if it were, it might have been a violation of the  
5 Arms Export Control Act?

6 A Yes, with the benefit of hindsight, it would not  
7 have been inappropriate to bring in the Criminal Division at  
8 that point.

9 Q Do you know why, Mr. Trott, during this weekend  
10 inquiry, you were not included?

11 A Well, that is a question that you really ought  
12 to address to the Attorney General. My--we were essentially  
13 told that the reason was that they were not engaged in a  
14 criminal investigation; that there was no predicate for  
15 one until the contra memo began to come into focus, and that  
16 the objective of the operation was to discover what had  
17 happened, all the facts, and to make sure that everybody  
18 knew what the facts were before somebody made a mistake,  
19 and either give testimony or started to talk about the thing  
20 in terms that were not accurate.

21 Q I understand that is the position.

22 Do you have any feeling or belief that you were  
23 not included for any other reason?

24 A No.

25 Q Do you have any feeling or belief as to why

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SLK 4

1 anyone in the Criminal Division wasn't included in that  
2 weekend inquiry?

3 A Feeling or belief?

4 Q Yes.

5 A I don't have any reason to believe that what I  
6 was told was not true in terms of the motivations of  
7 people.

8 Q Have you spoken to anybody at the White House  
9 about the weekend inquiry?

10 A White House?

11 Q Yes.

12 A. Can you be more specific?

13 Q Either the White House or the National Security  
14 Council?

15 A That is a--I can't track that question. You mean  
16 when, now, yesterday, two weeks ago? Six months ago?

17 Q What I am getting at in terms of the last question  
18 I asked you, you say based on what I have been told, is  
19 what you have been told, does that emanate only from the  
20 Department of Justice, or have other people in the White  
21 House or in other government agencies or outside of  
22 government, informed you as to what went on during the  
23 weekend in question?

24 A That is a long question. I don't remember any  
25 discussions with anybody from the White House or any...

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SLK 5

1 other agencies about the weekend inquiry. My notes will  
2 reflect that I did talk to Peter Wallison, I talked to  
3 Jay Stevens, talked to Brendan Sullivan, talked to a  
4 number of people, but not about that subject.

5 Q So you were not aware, until after the fact,  
6 that Mr. Reynolds and Mr. Cooper had met with Mr. Green,  
7 Tom Green, the attorney?

8 A What do you mean, after the fact? No, Green  
9 shows up in my notes.

10 Q According to Mr. Cooper's public testimony, they  
11 met with Mr. Green on the--Monday the 24th at approximately  
12 2:00 p.m.

13 A Let me see, I have Green in here somewhere.

14 Q Mr. Green meets again with Mr. Reynolds on  
15 December 1st. I am asking you about the first Green  
16 meeting.

17 A I never met with Mr. Green. Here is a reference  
18 in my notes. He came up, however, Wednesday, November 26th,  
19 8:10, 8:30.

20 MR. McGOUGH: How about the last note on there  
21 before Friday, November 28th?

22 THE WITNESS: Hang on a second. It says here  
23 at the end of, there are no secrets, lawyer for-- then  
24 I got Green scratched out, North, et al., Green, discussed,  
25 WBR to hand him off to Weld.

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SLK 6

1 Reynolds indicated that some guy, a lawyer  
2 for these characters named Green, was talking to him about  
3 the whole thing, and it was my sense and the sense of the  
4 group that it was not appropriate at that juncture for  
5 Brad Reynolds to be talking to this guy about the case,  
6 that he should be as a lawyer for possible suspects,  
7 subjects on an inquiry to hand him off to Bill Weld who was  
8 running it for the Criminal Division.

9 You point out another one.

10 MR. MCGOUGH: Yes, that day's reference.

11 MS. NAUGHTON: May I explore that reference for  
12 a moment?

13 THE WITNESS: End of what day?

14 MR. MCGOUGH: Just before Friday, the last entry  
15 before Friday, November 28th.

16 THE WITNESS: "Green may want to give us their  
17 story, pluses and minuses discussed, team will decide."

18 It was brought up that Green wanted to talk and  
19 the pluses and the minuses of that were discussed. The  
20 minuses obviously being that we were not in a position to be  
21 able to judge the truth of anything that he might say, but  
22 the investigative team would make that decision. That is  
23 where we came out on that one.

24 BY MS. NAUGHTON:

25 Q When it was brought up that it would not be

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SLK 7

1 appropriate for Mr. Reynolds to meet with Mr. Green, did  
2 you bring that up with Mr. Reynolds?

3 A Yes, that probably is a bad formulation of it.  
4 What was brought up was it would be appropriate for the  
5 guy to meet with the investigative team, not Brad. I am  
6 not sure anybody told Brad it would be inappropriate for  
7 you to meet with him, but the proper way would be for the  
8 guy to talk to the investigative team on the case.

9 Q Why? As opposed to Mr. Reynolds, why, since he  
10 had been with the initial team?

11 A He was out of it now and we were running a  
12 criminal investigation. And lawyers for subjects, targets,  
13 all the rest, should talk with the people handling the case.

14 Q Okay. Do you know why it is that he decided to  
15 meet with Mr. Green anyway?

16 A No. You have to ask him.

17 Q Did he ever tell you?

18 A No.

19 Q Who did you understand on November 26th that  
20 Mr. Green represented?

21 A My notes say North, et al. I just remember him  
22 being for North and there obviously must have been somebody  
23 else. Green must have been purporting to represent other  
24 people, but I didn't know anybody else's name.

25 Q Did you think it was curious to meet with basically

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SLK 8

1 a criminal defense attorney at this juncture in an  
2 investigation on Monday afternoon?

3 A For Brad to?

4 Q Yes.

5 A Not really. I mean at that point the thing was  
6 really swirling and I don't know how the contact occurred.  
7 I think Green contacted Brad and if somebody would have  
8 called me and said, "Hello, I am Green", I would have said,  
9 "Hello, how are you?", and apparently he laid all of this  
10 stuff on him. That is my understanding, but again, I  
11 wasn't there. You would have to ask Brad or Green exactly  
12 how it came about.

13 But the assessment was that it would be--the  
14 appropriate way to do it would be to, if he wanted to talk  
15 to anybody, it would be for him to talk to the investigative  
16 team, the lawyers and the investigators, and they would  
17 make the judgment as to whether they wanted to get any  
18 information from him or not, or when and how, and all the  
19 rest.

20 Q Let me ask you one more hypothetical here,  
21 assuming that you were part of the weekend inquiry team,  
22 at what point would you have been involved, the FBI or  
23 the Criminal Division?

24 A Boy, that is a very difficult question to answer  
25 because hindsight is always much clearer than foresight

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SLK 9

1 and with all the information that I now have, that I have  
2 gotten from watching television and reading the newspapers  
3 in the last few weeks, it so floods my mind with facts, I  
4 am not sure that I can separate what I now know from what  
5 I would have known had I been standing there then.

6 It's very difficult to say. It would have been--let  
7 me put it this way, what is the most accurate way to put  
8 this--it would not have been impossible for somebody,  
9 after the phone call from Sofaer, to call a time-out and  
10 bring in some criminal law investigators.

11 Q Okay.

12 A On the cold facts, at that time, you could say  
13 that probable cause existed to believe that some violations  
14 of Federal criminal law may have occurred.

15 Q If you had done anything differently, do you think  
16 you would have--that that is what you would have done  
17 differently?

18 A You are asking me to guess, to go back and say  
19 what I would have done. I don't know what I would have done.  
20 It's hard to say, but somebody could have, whether it would  
21 have been me or somebody else, somebody could have called  
22 a time-out and brought in the criminal investigators and  
23 the FBI.

24 I am not going to sit here and tell you that I  
25 would have because it makes me sound like smarter than

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SLK 10

1 maybe I am.

2 Q Well, Judge Sofaer has said that he--in hindsight,

3 he wishes he would have called you instead. Has he ever

4 expressed that to you?

5 A Yes.

6 Q When did he express that to you?

7 A I think after Chuck's testimony.

8 Q Did he elaborate on that as to what that meant?

9 A Do I know what he meant?

10 Q Yes.

11 A Yes, I think he meant that--you have to ask him

12 what he meant. I took it to mean that he believes that

13 somebody with criminal law experience might have spotted

14 something at that juncture.

15 Q What else did Judge Sofaer tell you about Mr.

16 Cooper's testimony? Maybe I should start with one question

17 at a time. Was there anything in it that he disagreed

18 with?

19 A No. He didn't say anything like that to me,

20 whether he did or didn't though, you would have to ask him.

21 Q This is Judge Sofaer--did he express any opinion

22 as to how the inquiry was handled based on what he heard

23 in Mr. Cooper's testimony?

24 A He said something to the effect that somebody

25 with more criminal law background might have seen more in

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SLK 11

- 1 this than Chuck did, something like that.
- 2 Q Did he say anything else to you in that conversation
- 3 regarding this topic?
- 4 A This topic?
- 5 Q Yes.
- 6 A Yes, he told me that he had not told Arnie Birns
- 7 anything about contemporaneous notes. That all he told
- 8 Arnie was that he was concerned that the story was not
- 9 accurate, the story about oil-drilling equipment or something
- 10 like that was not accurate, but he didn't give Arnie all
- 11 kinds of details.
- 12 Q How did that come up, that you were discussing Mr.
- 13 Birns?
- 14 A I don't know. It just came up.
- 15 Q Had you read Judge Sofaer's deposition?
- 16 A No.
- 17 Q Okay.
- 18 A I had read the parts of it that were reprinted in
- 19 the newspaper.
- 20 Q So you were aware when you talked to Judge Sofaer
- 21 that he had called for the Attorney General and that
- 22 Deputy Attorney General Birns had relayed a message from
- 23 the Attorney General.
- 24 A Yes.
- 25 Q What did Judge Sofaer tell you about what Mr.

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1 Birns told him in terms of relaying the message from the  
2 Attorney General?

3 A Just that he had relayed the message from the  
4 Attorney General and the Attorney General signaled back to  
5 the effect that everything was--somebody was on top of it,  
6 it was under control or something like that.

7 Q So that how did it come about that Judge Sofaer  
8 mentioned the notes or made a point of saying that he did  
9 not tell Mr. Birns about the notes?

10 A I think he brought it up. He seemed to think that  
11 Arnie was getting a bum rap in the newspapers or something  
12 like that.

13 Q Have you spoken to Mr. Birns about that incident?

14 A Yes.

15 Q When was that?

16 A Shortly after Cooper testified about it, or it came  
17 out in testimony.

18 Q And what did Mr. Birns say about it?

19 A He told me that he didn't have a distinct  
20 recollection of the conversation, because he didn't know  
21 what the--he didn't know anything about the subject  
22 matter. So, that he simply passed on the information  
23 from Sofaer in haec verba, verbatim, to the extent he  
24 was capable of doing that, and that he passed it to the  
25 Attorney General and the Attorney General passed back the

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SLK 13

1 information to the extent that he was aware of it, that  
2 he was on top of it or somebody was on top of it, or  
3 something to that effect and he passed that back to Sofaer  
4 and that was it.

5 Q What did Mr. Birns tell you specifically as you  
6 can recall, what did he tell you that he had been told by  
7 Judge Sofaer?

8 A He didn't seem to remember very much about what  
9 he was told. I don't think he remembered very much at all.

10 Q Did he seem surprised that this had come up?

11 A Surprised?

12 Q In other words, had he forgotten about it until  
13 this point?

14 A I don't know, you would have to ask him.

15 Q Did he say where the Attorney General was when  
16 he talked about it?

17 A He didn't seem to know. He seemed to think the  
18 Attorney General may have been in his car.

19 Q Had he spoken to the Attorney General about this  
20 recently after Mr. Cooper's testimony?

21 A I don't know.

22 Q In other words, he didn't reference to you that  
23 he had just spoken to the Attorney General about this to  
24 refresh his recollection for any reason?

25 A Yes, I was with the Attorney General and Mr. Birns

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SLK 14

1       said something about, I don't even remember where you were  
2       when I called you; and the Attorney General said, I don't  
3       remember where I was either. Birns said, "I think you may  
4       have been in your car." The Attorney General said, "I am  
5       just not sure where I was, but I may have been in the car."

6                     It was something like that.

7             Q       So, when you discussed this with Mr. Birns, this  
8       was in the presence of the Attorney General?

9             A       That part of it was, yes.

10            Q       What did the Attorney General have to say about  
11       this episode?

12            A       That he had received a message from Mr. Birns,  
13       that he believed it related to what they were already looking  
14       into, and that, therefore, he had simply told Mr. Birns to  
15       tell Sofaer that they were on top of it.

16            Q       What did he say about the fact that they were  
17       already looking into it?

18            A       Nothing more than that. This was not a very--  
19       this was not a deep conversation. It was almost like the  
20       kind of conversation that you would have after reading  
21       something in the newspapers, somebody would say, see that  
22       business in the newspapers about such and so, I don't  
23       remember where you were, you remember where you were,  
24       hell, I don't remember, I think I was in the car, yes, you  
25       may have been in the car. The Attorney General said

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SLK 15

1 something like all I remember is you called me with a message  
2 from Sofaer that something about this and I told you that,  
3 and there was no particular signal in it that alerted me to  
4 anything. It was just like that. Just like a casual  
5 conversation not a specific discussion as to what does all  
6 of this mean?

7 Q Okay. Did you discuss Mr. Cooper's testimony  
8 with the Attorney General?

9 A Discuss Cooper's testimony with the Attorney  
10 General?

11 Q Yes.

12 A I told him he ought to watch the tape of the  
13 testimony. I asked him if he had seen the tapes or have you  
14 seen Cooper's testimony; and he said that he had not. I  
15 told him that he should watch, should get a tape of it  
16 and look at it.

17 Q Was there--

18 A Hold on a second. I am still thinking. There was  
19 just a general discussion about it. You asked if there  
20 was any reason why we were talking about this?

21 We were talking about his scheduling in terms of his  
22 deposition and preparation for his testimony.

23 Q All right. What was that discussion about?

24 A What?

25 Q What was that discussion about?

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SLK 16

1 A Just the timing of the whole thing, he had a  
2 scheduling problem or something like that that was  
3 coming up and that was being discussed.

4 Q And what was discussed in terms of what he needed  
5 to do to prepare for his deposition?

6 A That he was going to have to sit down and go  
7 over all of his notes, material, and information to refresh  
8 his recollection about what had happened before the testimony;  
9 that it was probably going to be very arduous in terms of  
10 the way Chuck's testimony had been; and that he ought to  
11 take some time and do it so that he would be well prepared.

12 Q In terms of the timing of his testimony, was there  
13 any discussion relative to other people's testimony, in  
14 other words, did the Attorney General express any desire to  
15 do it before or after any other testimony?

16 A No, I don't remember anything like that, not in  
17 my presence, not that I remember.

18 Q So, in terms of the timing issue, it was only  
19 dependent on his ability to prepare?

20 A I think so, but again, I don't really know for  
21 sure.

22 Q Did you discuss the substance of Mr. Cooper's  
23 testimony with the Attorney General?

24 A Substance of?

25 Q Yes.

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SLK 17

1           A     I didn't.

2           Q     Do you know if anybody did?

3           A     Chuck did. He just outlined it and only parts of

4     it, I think. It wasn't a detailed briefing at all. It

5     only took about maybe three minutes.

6           Q     Were there any portions of--during his debriefing,

7     were there any portions of his testimony with which the

8     Attorney General disagreed or his recollection differed?

9           A     Chuck's testimony?

10          Q     Yes.

11          A     No, not that I remember.

12          Q     Was there any discussion of what questions the

13     members would be asking during those discussions?

14          A     Questions?

15          Q     Yes.

16          A     The only thing that I can remember is that, was

17     the general sense that he was going to be asked why he

18     didn't bring in the FBI earlier. That was described as the

19     general drift of a large part of the questioning that Chuck

20     had undergone which came as no secret. That was all over

21     every television channel and newspaper in the country by

22     that time.

23           I think somebody simply said to him that that was one

24     of the drifts of the questioning was probably going to be

25     what he knew, when he knew it, and why he didn't bring

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SLK 18

1 in the FBI or the Criminal Division earlier.

2 Q What was the Attorney General's response to that?

3 A That he was, at that time, not running a criminal  
4 investigation; that the facts were simply being assembled;  
5 and that it didn't appear that a criminal investigation  
6 ought to be started until he came back and started one.

7 I can't remember the exact words he used, but it  
8 was just short, just something like that.

9 Q Was there anything else discussed in that  
10 conversation about the Attorney General's proposed testimony  
11 and preparation for it?

12 A Somebody said--and I can't remember who it was--  
13 that he ought to take as much time as he needed to get  
14 ready for the testimony because a lot of stuff was going to  
15 be gone over.

16 Q Now--

17 A Wait, wait, there was one other thing. When Chuck  
18 said--was it Chuck, I think it was Chuck who said the drift  
19 of it was going to be, one of the drifts was going to be  
20 that he had not brought in the FBI or the Criminal Division  
21 as early as he could have.

22 I said, "With hindsight it is arguable that Chuck  
23 was an eye witness to a crime when North was cooking up the  
24 testimony"--Casey's testimony I guess it was.

25 That is about all that I can remember that was said

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SLK 19

1 about that.

2 Q Do you know or did you know, either through  
3 personal knowledge or other ways, whether or not the Attorney  
4 General had contemporaneous knowledge of the November  
5 1985 Hawk shipment?

6 A I have no knowledge, no information on that one  
7 way or another. I have never heard from him that he did.

8 I never heard from Chuck or Brad or John Richardson or  
9 any other people that he did.

10 Q All right. And I gather that prior to November  
11 26th, 1986, that you were not aware that the Attorney General  
12 had been involved in the January '86 finding?

13 A I did not know anything about that.

14 Q Did the Attorney General ever come to you around  
15 that period of time and ask for any help?

16 A General, when?

17 Q In 1986 and ask for any type of research regarding  
18 such a finding?

19 A No.

20 Q Do you know whether or not he went to anyone in  
21 the Internal Securities Section or any other section?

22 A I don't know. I don't believe so. I have never  
23 heard that he did.

24 Q I had one other question regarding your conversation  
25 with Mr. Birns on the episode with Judge Sofaer. Did Mr.

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SLK 20

1 Birns tell you that he had taken notes?

2 A No.

3 Q Did he say either way?

4 A He didn't say either way. I got the impression  
5 that he had no notes, that it was just one of 10,000  
6 phone calls that a Deputy Attorney General gets a year on  
7 various subjects. Very few of which one even remembers  
8 much less verbatim what was said.

9 Q Well, when he got this message, did he call the  
10 Attorney General promptly, do you know?

11 A Yes. But that is not unusual. I mean, he must  
12 do that five-six times a day, if not more. There is a  
13 constant flow of information back and forth between the  
14 Deputy and the Attorney General and the Associate and the  
15 Attorney General and the Assistants to the Attorney General.  
16 That is the way it goes on ten hours a day.

17 If you asked me to reconstruct a single day last  
18 week, I would be hard pressed to do it.

19 Q Join the crowd. I understand.

20 A That is one of the reasons I kept these notes.

21 Q If you have no objection, what we thought we  
22 would do is take a break and get a drink of water, or they  
23 have a cafeteria here, while we look through your typed notes  
24 and then, hopefully, that would short-circuit my questions  
25 so we don't have to go through day-by-day or minute-by-

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#2  
SLK 21 1 minute.

2 A Okay, whatever you would like to do.

3 Q Let's go off the record then.

End 4 (Discussion off the record.)

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mas 1 1 MS. NAUGHTON: Back on the record.

2 I want to direct your attention to November 26,  
3 1986, Mr. Trott, in the afternoon. I understand that at  
4 a meeting with the Attorney General that Deputy Attorney  
5 General Birns had been instructed to contact Mr. Wallison  
6 at the White House to secure the documents at the White  
7 House? I believe in your notes it's on the 22nd sometime  
8 around 1:30.

9 A 22nd?

10 Q 26th, excuse me.

11 A 26th.

12 Q If you can just tell me what you recall, we have  
13 your notes.

14 A We were sitting in the meeting and Meese turned  
15 to Arnie and he said, did you call Wallison and ask him to  
16 get all these documents secured; and I can't remember the  
17 exact words he used but Arnie looked somewhat ruffled and  
18 said, no.

19 Q Why hadn't he?

20 A I don't know.

21 Q He didn't give a reason or explanation?

22 A No.

23 Q What did the Attorney General say?

24 A He came, became visibly quite upset, combination  
25 of upset and angered and I think Arnie then got up on his

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m2 1 own power and went out of the room, apparently to do it.

2 Q When you say he got visibly upset, can you explain  
3 what those manifestations were?

4 A I don't think he anticipated that answer. I think  
5 he was just making sure that something that he had requested  
6 had been done. It was almost like a rhetorical question,  
7 did you call Wallison and ask the documents to be secured?  
8 And Arnie kind of went, and I can't remember whether he  
9 said I forgot or no, and the Attorney General kind of went --  
10 and that is the best I can recreate it. Kind of like this,  
11 like his body was saying, what?

12 Then I remember Arnie getting up and motoring out  
13 of there.

14 Q It would be hard for me to describe it on the  
15 record.

16 A I can't describe it.

17 Q Other than perhaps a grimace.

18 A Grimace, yes. Or gritting of teeth.

19 Q Okay. That is the Attorney General, not  
20 Mr. Birns.

21 A Right.

22 Q Do you know whether or not Mr. Birns did indeed  
23 do that then?

24 A Yes.

25 Q All right. That would have been the afternoon of

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m3 1 the 26th? That is Wednesday, correct?

2 A If that is what my notes show.

3 Q Do you know whether or not the documents had  
4 been secured by White House security people prior to that,  
5 in other words on their own direction?

6 A I don't know.

7 Q So when Mr. Birns reported back he didn't  
8 mention, oh, they had already done it, or anything to that  
9 effect?

10 A No.

11 Q I point out there will be an investigation of  
12 our investigation.

13 MR. MCGOUGH: An understatement if there ever  
14 was one.

15 BY MS. NAUGHTON:

16 Q Mr. Cooper testified in public session that he  
17 got the sense that the FBI, particularly Mr. Clarke, but  
18 the FBI was a little uncomfortable with having him in the  
19 investigation.

20 A Yes.

21 Q Did they express that to you?

22 A Yes.

23 Q Could you tell us who expressed that to you?

24 A Floyd Clarke.

25 Q What did he say to you about Mr. Cooper's

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m4

1 involvement.

2 A Simply that Cooper was a fact witness to many  
3 of the events that had gone on and under the circumstances  
4 it would be appropriate to have him not a part of the  
5 investigative team.

6 Q Did you do anything about Mr. Clark's opinion?

7 A Yes, we took steps to get Chuck onto the sidelines.

8 Q What were those steps?

9 A On Friday November 28 I got a call from Jack  
10 Keaney advising me that Cooper had participated in an  
11 interview with McMahon at the CIA and that FBI had  
12 expressly requested that no such interviews be attended  
13 by our people. I called Cooper and met with him, told him  
14 of the FBI concern that he will be a grand jury witness.

15 He agreed, and indicated that he would not  
16 participate at that point unless part of a team approach.

17 But I remember later he was moved out of the  
18 thing completely.

19 Q Did anyone from the FBI ever express to you that  
20 they would not share information from their investigation  
21 with Mr. Cooper?

22 A Not share it with Cooper?

23 Q In other words not report the results of their  
24 investigation if Mr. Cooper were involved?

25 A I don't think so, but the FBI stopped reporting

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**UNCLASSIFIED**

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m5 1 information to us shortly after I got involved in it when  
2 they started to smell an independent counsel.

3 Q Okay.

4 A Which is standard. At one point I was told the  
5 FBI was not sharing information with any of us anymore.

6 Q Did either Mr. Hendricks or Mr. Carver make  
7 that complaint to you?

8 A It really wasn't -- was it a complaint? It was  
9 more an observation. Hendricks may have mentioned it.

10 Q Okay.

11 A But I didn't read anything into that because that  
12 is what they would do, if we are going to be recused because  
13 there is a conflict, it would be at that point that you as  
14 the investigator who was going to move over, should start  
15 to back away. That is the way it should work. Not that  
16 you back away from the investigation, but you begin to  
17 back away from the people who might not be in charge of it  
18 anymore.

19 Q For the record, is it clear from your notes of  
20 November 28th that that is the date on which the FBI  
21 actually went to the White House to begin their search of  
22 the documents in Colonel North's office? I believe it's  
23 towards the end of your notes.

24 A What happened on the 27th?

25 Q The 27th is Thanksgiving.

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m6

1 A Oh, 26th, it looks like -- I don't know when the  
2 FBI did it. All I know is we discussed the documentary  
3 evidence in the early afternoon on the 26th, documentary  
4 evidence was discussed, checking it for prints. I went  
5 from the meeting to Birns to ask him to tell Wallison to  
6 make this stuff available immediately to the FBI. Arnie  
7 told me that he had already done that. The orders were  
8 to freeze and make available.

9 Jay Stevens had been named as the contact for  
10 Floyd Clark. Then we discussed the letter to all other  
11 agencies. But when the FBI actually went over there,  
12 when the White House counsel grabbed the documents and  
13 when the FBI actually went over there I don't know.

14 Q I believe you have a note further on if you look  
15 on the 28th, maybe on the next page. I should have marked  
16 it down.

17 A Okay.

18 It says Friday, November 28, Cooper has Meese  
19 agency letters, I approve the request they be signed and  
20 delivered today. Called to Clark to make sure documents  
21 under control and that everything is in order. He wasn't  
22 there. 10:30 call from Weld, FBI at White House, 7 a.m.

23 Q So that indicates that on, at 7 a.m. on Friday,  
24 November 28, the FBI was at the White House.

25 A Yes, he will receive periodic reports from the

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m7 1 team. Measures to prevent document destruction is reported  
2 in papers under review, possible grand jury subpoenas, yes,  
3 so that is what that indicates.

4 Q Do you recall Mr. Clark~~e~~ telling you that sometime  
5 during that week Mr. Poindexter had been interviewed?

6 A I have a recollection of Clark~~e~~ saying that When  
7 it was, I don't know.

8 Q Do you recall whether or not he discussed the  
9 substance of Mr. Poindexter's interview with you?

10 A I don't think so. I doubt it. I don't have  
11 any recollection of that.

12 Q You don't recall asking him what Poindexter had  
13 to say?

14 A No. I don't.

15 Q On that issue, it has been testified to by  
16 Mr. Cooper that the Attorney -- doesn't believe the Attorney  
17 General took any notes of his meetings Monday morning the  
18 24th with Admiral Poindexter, Mr. McFarlane, the Vice  
19 President, Mr. Regan. Do you know whether or not the  
20 Attorney General took any notes?

21 A I have never seen any such notes and I never  
22 asked the AG if he had any.

23 Q Do you know of anybody who has alluded to any  
24 notes during that meeting?

25 A Who was at the meeting besides Meese? Was Cooper

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m8

1 there?

2 Q On Monday morning, no, he testified he was not  
3 there.4 A Oh, then I have no knowledge of that one way or  
5 the other. Was the AG the only person present at these  
6 meetings, these interviews?7 Q Cooper testified as far as he knew that was the  
8 case.9 A I have no knowledge of any notes one way or the  
10 other.11 Q Were you aware on or about November 28th of a  
12 Los Angeles Times story that claimed that there had been  
13 a shredding episode at the White House?

14 A Yes.

15 Q How did that come to your attention?

16 A Probably read it in the morning clips.

17 Q Did you bring it to anybody's attention?

18 A Everybody knew about it. Everybody was talking  
19 about it. Everybody had seen it at the same time. I didn't  
20 have to.21 Q What was the substance of the discussions then at  
22 the Department of Justice regarding this particular article?23 A Whether or not anybody was aware of any document  
24 destruction and nobody seemed to be.

25 Q Do you recall that this article, did this article

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m9

1 come out after the FBI was actually at the White House?

2 A I don't remember. What was the date of the  
3 article?

4 Q I believe it was November 28. I would have to go  
5 back and check.

6 Regarding the diversion memo and the whole subject  
7 of the funds from the Iranian arms shipment being diverted  
8 to the contras, had you heard at any time whether or not  
9 anybody within the Department of Justice mentioned any  
10 discussions occurring during the weekend of November 21  
11 through 23 regarding whether or not the fact that a diversion  
12 could be kept quiet from the public or from Congress?

13 A No.

14 Q On page 9 of your notes, if we could proceed  
15 there, there is an allusion to Brendon Sullivan.

16 A Beeper?

17 Q Calling, yes.

18 A Yes.

19 Q And regarding North's subpoena to testify before  
20 the Senate.

21 A Yes.

22 Q Could you tell us what that conversation was  
23 about and give us the date, please.

24 A Sunday, November 30, at 8 o'clock. That was  
25 while I was in Tyson's Corner and my beeper went off and it

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m10

1 was a call from the command post, Brendan Sullivan wanted  
2 to talk to me. Actually Brendan Sullivan was calling for  
3 Meese and Meese told the command post to have me respond.  
4 I called Sullivan, he told me he represented North, that  
5 North had gotten a call to -- gotten called up here before  
6 a congressional committee and Sullivan wanted to know  
7 whether this would be a free for all or whether people should  
8 sit down and discuss how it should be handled -- questions  
9 like executive privilege, classified information, whether  
10 Ollie was on his own to make these decisions or whether  
11 there were any expectations with respect to all of this  
12 stuff.

13 And he named things like executive privilege,  
14 classified information and all the rest. As I say in my  
15 notes, I listened only, and told him I would call him back.

16 I then called Meese, reported to him what this  
17 was, what the substance of the phone conversation was, and  
18 I recommended that I put Sullivan in touch with the White  
19 House, with Wallison and Stevens, Jay Stevens indicating  
20 that we should not be involved in anything like that.

21 Meese mentioned that in any event North does  
22 not have the power to assert executive privilege and he  
23 mentioned to me that the President had given instructions  
24 to cooperate with Congress, expecting that there will be  
25 a responsible way to protect sensitive national security and

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m11 1 all the rest.

2 Sullivan also mentioned that Poindexter and  
3 McMahon had subpoenas. I called Wallison, filled him in,  
4 told him it's improper for us to counsel North. He  
5 agrees. Said he was trying to reach agreement with the  
6 committee for the handling of national security information.  
7 Wallison agreed that he would call Sullivan. I suggested  
8 that Jay Stevens be involved because of his special  
9 expertise and background. Jay was involved in the  
10 Watergate stuff and he was assisting the United States  
11 Attorney and is a very experienced Justice guy.

12 That is the way that went down.

13 Q When Mr. Sullivan called you on November 30,  
14 did he express to you that Colonel North did not want to  
15 testify before Congress?

16 A No.

17 Q Did he discuss with you Colonel North's plans to  
18 assert the 5th Amendment?

19 A No.

20 Q So his remarks to you were limited only to  
21 executive privilege and --

22 A And classified information. He was an employee  
23 of the Executive Branch and all of a sudden he was going  
24 to be over there in a committee and he could be asked a lot  
25 of questions about things and it was more of a call of, you

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m12 1 know, what is the guy supposed to do? Is this a free for  
2 all, or is he supposed to answer all the questions or is  
3 the White House going to expect him to say no, that is  
4 national security information or I am sorry, that is  
5 executive privilege and this, that and the other thing.

6 It was a very lawyerly-like call.

7 Q Okay.

8 A It's the type of call I might have made if I had  
9 been representing Oliver North and somebody said come  
10 over here and talk about what you did in the White House.  
11 You don't want to go over there and make a mess out of it  
12 so I assume he was told to cooperate.

13 Q I guess what I am getting at in terms of the  
14 flavor of his remarks was, was he trying to hang his hat on  
15 executive privilege?

16 A No, not at all. He just wanted to know what the  
17 signals were -- I mean "signals" just in a straightforward  
18 way, not in a sneaky way either. You know, "What is my  
19 client supposed to do?"

20 Q You have a note on your -- December 2 note  
21 around 10 o'clock in the morning.

22 A Yes.

23 Q If you would look at that. Just for the record  
24 is that on or about the time that the Attorney General  
25 decided to go ahead and apply for independent counsel?

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ml3

1           A     I got it -- on December 1 I talked to Bill Weld.  
2     I was at Harvard and he was down here. He told me all  
3     options are still being reviewed, no final decision on the  
4     independent counsel. Six o'clock, Weld told me that there  
5     would be a meeting at 8 o'clock the next day. December 2  
6     at 9 o'clock, meeting EM 3 and staff -- I think that should  
7     be has decided to apply to the court under 591 to seek  
8     independent counsel. So it is sometime between December 1  
9     and the early morning of December 2 that he made the  
10    decision.

11           Q     Now on page 15 of the notes there is a notation  
12    regarding apparently a conversation you had with Mary  
13    Lawton concerning the fact that CIA may have taped  
14    conversations regarding the White House or White House  
15    employees perhaps improperly. Can you tell us what that  
16    is all about?

17           A     I got a call from Dave Dougherty from the CIA  
18    who told me they had tape recording of somebody named  
19    Ambassador Kelly relating to the Iranian arms deal. They  
20    said they were going to make transcripts and turn them over  
21    to everybody, including Congress, but they wanted to make  
22    sure this was done right and also that the integrity of the  
23    original tapes was preserved.

24                     He said he thought the taping wasn't illegal  
25    because it was their private system that was being used and

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m14 1 nobody could expect any privacy vis-a-vis the CIA  
2 when using this system.

3 Q Could you -- who is "they"? In other words, who  
4 had taped?

5 A I guess it was a CIA employee.

6 Q And Ambassador Kelly -- is that an American?

7 A Yes.

8 Q An ambassador to a foreign country?

9 A Yes.

10 Q Okay.

11 A I think so.

12 Q And where was he taped, at the CIA?

13 A I don't know. So I immediately called the FBI  
14 and said there are some tapes, and to call Dougherty and  
15 get on it. But then Mary Lawton apparently thought that  
16 these tapes were illegal and that it might be a crime to  
17 give them to anybody so then we got involved in this big  
18 circular investigation to see whether these tapes could  
19 be given to anybody without violating the law. There are  
20 some rules that say if you illegally intercept somebody's  
21 communications those can't be disseminated.

22 Q Your reference to the White House, what is that?

23 A These calls were somehow made involving the  
24 White House. I don't know.

25 Q Your note says Mary Lawton advises CIA did tape

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m15 1 White House.

2 A Yes. That meant these calls from Ambassador  
3 Kelly. This was some private system or special CIA  
4 system or something like that that was being used. All of  
5 this stuff has been turned over to the FBI.

6 Q Was that eventually turned over to the committees,  
7 do you know?

8 A I don't know.

9 Q You don't know the outcome of that?

10 A No. We dropped out of the whole thing. I don't  
11 know a lot of what happened after we dropped out.

12 Q Also on page 15 there is a reference at the bottom  
13 of the page to -- I don't know how this is pronounced --  
14 L-u-y-t-u-e-s, apparently a criminal defendant who claimed  
15 to have bank accounts with Oliver North. Can you tell us  
16 what that is all about?

17 A That was a case up in the Middle District of  
18 Pennsylvania, Harvey Eisenborg was the organized drug  
19 task force coordinator and he called me up to report that  
20 this guy, Luytues, who was a [REDACTED] in Pennsylvania  
21 said some money in a Swiss bank account somehow is tied in  
22 with North. Luytues' company was called Air Services and  
23 apparently Luytues was fooling around with a CIA defense --  
24 which is not unusual -- and the CIA originally said there  
25 was no problem, not tied to him, and Harvey told me the

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m16

1 FBI was already aware of this and I turned around just  
2 to make sure and called Floyd Clarke and he said he already  
3 knew about it. Where that went from there, I don't know.

4 Q And on page 18 you refer to a January 16, 1987  
5 I guess exchange between Brendan Sullivan and the Attorney  
6 General. Apparently Mr. Sullivan wishes to get access to  
7 the President. Could you tell us what that is about?

8 A Yes, I got a call from Brendan Sullivan who said  
9 he wanted to talk to Meese about the Iran-contra matter.  
10 He said he had something he wanted to get through to Ronald  
11 Reagan, that he tried Abshire but he didn't have any luck.  
12 He didn't want to go through Wallison.

13 I told him that we, the entire Department of  
14 Justice, are recused. Meaning we are not involved. We  
15 can't do that. He said it has nothing to do with the facts  
16 of the thing. I said look, we are out of this. What about  
17 Walsh? I said what if we tell Walsh, you know, get his  
18 permission, he said he didn't have any objection. I  
19 said --

20 Q Excuse me, who had no objection?

21 A Sullivan.

22 Q Had no objection to your consulting Walsh?

23 A Yes, he said I don't care if you tell Walsh.

24 I said you're putting Meese in a bad situation  
25 because what if somebody makes authorized admissions to

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ml7 1 Meese and all of a sudden he becomes a witness to the  
2 whole thing? He said, no, no, I am not talking about  
3 facts, this is just something important that I want to get  
4 through to Ronald Reagan.

5 He said I am calling you because you are the  
6 only ones with any spine to do what is right. He said  
7 I don't intend to tell anybody about this meeting but  
8 there were no restrictions on us.

9 I said that is fine because we wouldn't hide it  
10 from anybody anyway.

11 I will tell him, I will pass it on to Meese.  
12 Then I went to Florida.

13 I talked to Meese on Sunday, January 18, I was  
14 talking to him about Hamadei, also, and he said, "Well,  
15 think about it and take it up on Tuesday."

16 Then Ken Cribb calls me in Florida and apparently  
17 Walsh, this had been run by Walsh and Walsh said it was  
18 not appropriate for Meese to talk to Sullivan under these  
19 circumstances, and I was told to tell Sullivan to call  
20 Abshire, that he is inclined to accept the call. That is  
21 the last I heard of it.

22 Q For the record, Mr. Abshire is -- or was?

23 A Special Counsel to the White House for Iran-  
24 contra purposes, or something like that. I can't remember  
25 his exact title.

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m18 1 Q Do you know whether or not Mr. Sullivan did  
2 speak to Mr. Abshire?

3 A No.

4 Q You do not know?

5 A No, Brendon told me, he said I don't care if  
6 you tell the press about this or not, is what he told me.

7 Q What did you understand the import of that remark  
8 to be?

9 A I hadn't the -- just that this is no big secret.  
10 I am not asking for something improper. In other words,  
11 there is nothing sneaky about this.

12 Q Did he indicate, ever indicate to you in any  
13 way why he wished to meet with the President?

14 A No.

15 Q Do you know whether or not it was to discuss the  
16 possibility of a pardon for Colonel North?

17 A I haven't the slightest idea. I did not get that  
18 impression but as I say I hadn't the slightest idea what he  
19 was talking about. I didn't want to know what it was  
20 because again, I always believed that we were recused and  
21 we shouldn't have anything to do with Oliver North or his  
22 lawyer at that time under those circumstances.

23 Q There was a reference in your note to him saying  
24 you guys are the only ones with spine enough to do it or  
25 something. What does that mean?

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m19

1 A You would have to ask him.

2 Q Well, when he made that remark what did he mean,  
3 to do what?4 A To do what is right -- I just thought it was a  
5 throw-away BS comment.6 Q Could you tell us what the context was that it  
7 was made in?8 A Well, you know, that everybody else was running  
9 and hiding and the Department of Justice, he seemed to  
10 think, were the only -- was the only operation that would  
11 continue to try to function while everybody else was running  
12 around in circles. That is the way I sort of took it.  
13 I didn't pay any attention to it one way or the other. I  
14 wrote it down because I thought it was kind of quaint.15 Q Were you ever aware either prior to November '86  
16 or thereafter that the FBI had interviewed Oliver North  
17 on other occasions prior to when the Attorney General did  
18 on November 23rd?

19 A Interviewed him?

20 Q Yes.

21 A In connection with what?

22 Q In connection with several different cases.

23 A As a witness?

24 Q Yes.

25 A Interviewed him? I don't think so.

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m20 1 Q Did Mr. Revell ever discuss Oliver North with  
2 you?

3 A Oh, yes, had a lot of discussions with Oliver  
4 Revell with Oliver North. They were on the OSG together.  
5 I had talked to Oliver North on a couple of occasions, one  
6 involving [REDACTED] the other involving Southern  
7 Air Transport, another involving a criminal investigation  
8 being conducted by the FBI.

9 Q Could you just give us the general parameters of  
10 that last one?

11 A We have a number of indictments against airplane  
12 hijackers and like the Hamadei case that I mentioned earlier,  
13 and obviously we were out there looking for these sons of  
14 bitches so we can get them arrested and bring them back to  
15 trial and [REDACTED]

16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED] That is the  
19 general parameters of it.

20 Q What was Mr. Revell's opinion of Oliver North?

21 A At that time?

22 Q Yes.

23 A I don't think he ever expressed an opinion of  
24 Oliver North. He was just a person who was involved in  
25 some of this process.

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m21

1 Q You mentioned [REDACTED] to us a while ago;  
2 I really had only one question on that. When Oliver North  
3 spoke to you and others on behalf of [REDACTED] prior to  
4 his, I guess his sentencing, did he ever express to you any  
5 fear that unless [REDACTED] was treated with leniency that  
6 he may reveal sensitive national security information?

7 A Yes.

8 Q Could you tell us what he said to the best of  
9 your recollection?

10 A That was about it.

11 Q Did he say what that information would be?

12 A No.

13 Q Did you get any indication what the subject  
14 matter was, in other words was it contras, was it Iran, was  
15 it terrorism?

16 A It was U.S. involvement in Central America. This  
17 is just -- I am sort of piecing it together -- I assume it  
18 had something to do with Honduras and Nicaragua but the  
19 substance, I never got into the substance of what it was.

20 Q Did you assume that from the facts of the  
21 [REDACTED] case?

22 A Yes. General Gorman was involved. Here's a  
23 calendar date of September 24, I have a copy that shows  
24 the meeting that I had on [REDACTED] with Ollie and Jim  
25 Michels and Buck Revell.

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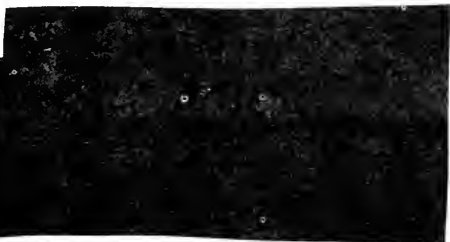
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m22

1 Here is my little calendar thing that shows the  
2 same deal for September 24.

3 MS. NAUGHTON: If we could mark these Exhibits 3  
4 and 4.

5 (Exhibit Nos. 3 and 4 were marked for  
6 identification.)

7 THE WITNESS: 

8  
9  
10  
11  
12 BY MS. NAUGHTON:

13 Q Were you aware of any involvement by DEA agents  
14 to locate or extricate the hostages held in Lebanon?

15 A I am now.

16 Q What are you aware of now?

17 A Well, Jack <sup>w</sup>Laxn has told me that there were  
18 some DEA people who were involved and I was at the time,  
19 I have known for quite a long time that DEA was tasked with  
20 checking to see whether their informants had any  
21 information about where these hostages might be. That is  
22 what I thought. I knew that apparently everybody who might  
23 have some way of knowing where the hostages were had  
24 been tasked to check to see what could be found out.

25 Q Recently has Mr. Laxn <sup>w</sup>told you that their

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m23 1 involvement was more operational than that?

2 A Yes.

3 Q What did he tell you?

4 A He has a report on the whole thing. Apparently  
5 he was concerned that they may have been out there doing  
6 things that they shouldn't have done. He conducted a whole  
7 investigation on it and just in a couple minutes he told  
8 me some things but I don't remember the details of what  
9 they were.

10 Q Do you know whether or not there was a Finding  
11 prepared for the DEA activities?

12 A No.

13 Q Is that a no?

14 A I don't know way way or the other. Sorry.

15 Q Do you know whether or not the Attorney General  
16 was briefed on what the DEA agents were doing?

17 A I don't know. I know Jack briefed him after the  
18 fact, after somebody in Congress started calling it a rogue  
19 operation or something like that. I know Jack looked  
20 into it in great detail and I know he briefed the Attorney  
21 General on what his findings were. And he, Jack among other  
22 things told me it was not a rogue operation.

23 Q What was it?

24 A I think the tasking may have come out of [REDACTED]  
25 [REDACTED] the original tasking to look for

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m24 1 information that may show us where these hostages were.

2 Q Did Mr. Lann<sup>w</sup> tell you that any agents were  
3 assigned to the NSC?

4 A No.

5 Q Was it your understanding that they were or were  
6 not or did you have an understanding?

7 A I didn't think they were but I couldn't be sure,  
8 I didn't get into the details of it.

9

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25

82-740 155

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Pages 82 and 83

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TOTAL




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m27 1 Q In a decision?

2 A Yes, it was discussed and it was determined he  
3 didn't have to be under the standards that exist, that he  
4 didn't have either a personal or professional relationship  
5 with her of a kind that would create a conflict of interest.  
6 With the understanding that the independent counsel statute  
7 in the first instance is a recusal statute and what you  
8 are trying to decide is whether to recuse the Department of  
9 Justice.

10 So you can't -- the attorney general can't, I  
11 mean if you are going to take a double recusal then the  
12 attorney general would be recused on all of those people,  
13 theoretically, as a member of the cabinet and as somebody  
14 who knows many of them and the statute doesn't say that.

15 So all those things were discussed and only in  
16 very unusual circumstances where there is a relationship  
17 above and beyond the relationship that is inherent in the  
18 structural relationship do attorneys general recuse them-  
19 selves, 

20   
21 Q Did anybody object to that position?

22 A I don't think so.

23 Q Okay.

24 A 

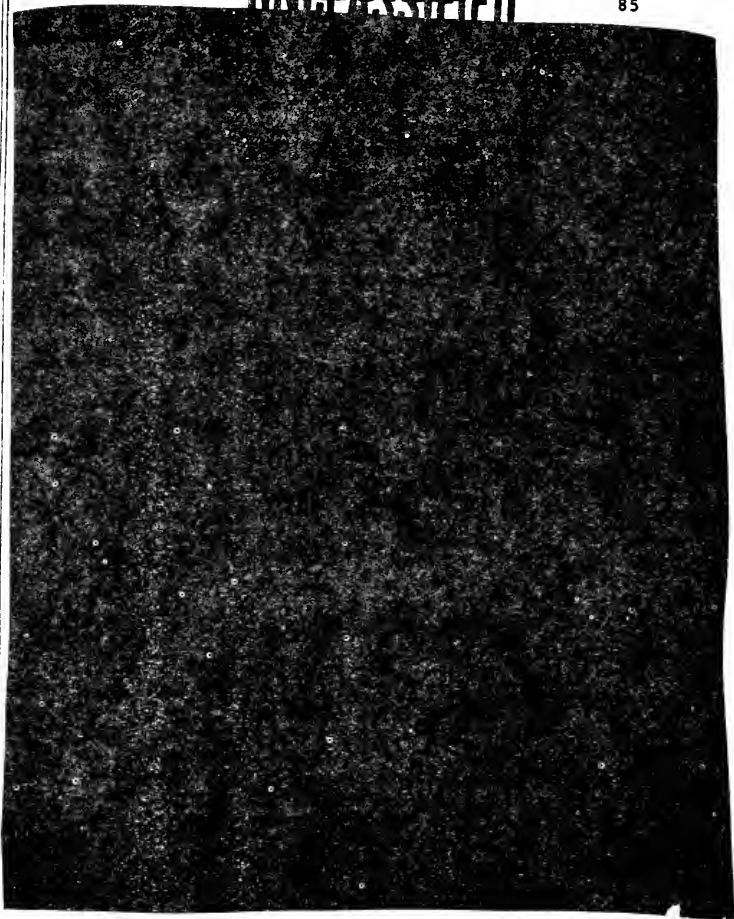
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MS. NAUGHTON: Those are all the questions I think I have. I will give you over to my colleagues and return this phone call. Thank you.

THE WITNESS: Sure.

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m29

1 EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

2 BY MR. McGOUGH:

3 Q I would like to return if we could,  
4 Mr. Trott, to the Miami case now that we have the two-page,  
5 not the two-page but the two-buck sheets if I can call them  
6 that and five-page memo attached to it.

7 A Yes.

8 Q You have read them into the record. Let me go  
9 to the one that you sent to Mark Richard dated 3-24-86.

10 A March 24?

11 Q March 24, you are right.

12 The first sentence reads please get on top of  
13 this, DLJ is giving heads up to the NSC.

14 DRJ is Mr. Jensen, is that correct?

15 A Right.

16 Q What did you mean by a heads up to the NSC?

17 A Briefing. What is it? Factual briefing is what  
18 I mean by heads up.

19 Q Does it carry its usual connotation meaning  
20 watch out?

21 A Well, something that they ought to know about,  
22 yes.

23 Q Okay. My next question is obvious, why should  
24 the NSC know about it?

25 A Why?

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1 Q Yes.

2 A Are you kidding?

3 Q No, I mean that is a serious question. Why  
4 would the NSC be briefed on a case like this?5 A You just take a look at the memo itself.  
6  
7  
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11  
1213 Q And what was it about the NSC's role that made  
14 them a subject for that information? What was it that the  
15 NSC was to do with that information or what was its connection  
16 with those issues?17 A I don't know. It just struck me that those are  
18 the kinds of things that the National Security Council takes  
19 a look at, activities in foreign countries involving  
20 sensitive interests of the United States. They are talking  
21 about -- there is stuff in here that said, for example  
22 on March 5, '86, Terrell was interviewed by New Orleans  
23 FBI, claimed knowledge of an assassination plot and CMA  
24 plan to attack embassies; although he stated target  
25 embassies were Embassy in Costa Rica as well as the Soviet**UNCLASSIFIED**

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1 Embassy in Costa Rica. I would hope the National  
2 Security Council would want to know about talk like that.

3 Q Let's look at page 3 if we could, of the memo.

4 A Furthermore, it was being looked at by the  
5 Internal Securities Section of the Department which  
6 handles espionage and the things that impact on national  
7 security.

8 Q Let's look at page 3 of the memo if you would, in  
9 the first full paragraph, second sentence, developments  
10 have been promptly disseminated to interested affected  
11 agencies including the Departments of Justice and State,  
12 CIA, ATF, [REDACTED] and the Immigration and  
13 Naturalization Service.

14 A Yes.

15 Q Why did it not occur to the FBI to brief the  
16 NSC?

17 A You would have to ask the FBI. I don't know.

18 Q Is it clear from that that the FBI didn't consider  
19 the NSC an interested affected agency?

20 A No, it's not clear to me at all.

21 Q Whose decision was it to give a heads up to the  
22 NSC?

23 A I don't know.

24 Q Do you recall whether it was your decision?

25 A Mine? No.

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m32 1 Q Do you recall it was not your decision?

2 A It wasn't my decision at all. This was communicated  
3 to me by Mr. Jensen, I don't know whether it was the  
4 NSC's request to him or whether he thought that he  
5 ought to go over and tell the NSC about it. I just don't  
6 know what generated it. It may well have been generated  
7 inside the NSC, somebody was asking what this was all about.

8 Q Now then the memo is addressed to the Deputy  
9 Attorney General and that would be Mr. Jensen, is that  
10 right?

11 A Right.

12 Q And it's dated March 20, '86?

13 A Right.

14 Q Having looked at this memo and the routing slips  
15 assorted with this, does this refresh your recollection as  
16 to when you first learned of the case?

17 A No.

18 Q Do you know if you had any prior knowledge before  
19 receiving, before March 20, 1986?

20 A Yes, I probably did.

21 Q That doesn't -- when you say probably, do you have  
22 any fixed recollection of having been aware of this case  
23 at the time?

24 A No, I don't. It was on or about that -- sometime  
25 around then but precisely when it was I can't tell you.

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m33 1 I would just be guessing and pulling things out of the air.

2 Q All right. Do you know if Mr. Richards,  
3 Richard, had any prior knowledge of it?

4 A You would have to ask Mark.

5 Q You don't recall whether you were advising him  
6 for the first time or whether you believed you were advising  
7 him of it for the first time?

8 A My vaguest of recollections is that he already  
9 knew about it, too.

10 Q Then the next sentence says he would like to  
11 watch over it, is that right? This is your handwritten  
12 note.

13 A He would like us to watch over it.

14 Q Us to watch over it. What did you understand  
15 you were to do? What did you mean by watch over it?

16 A Keep an eye on it, monitor it, if we saw anything  
17 that looked like it was getting out of control or  
18 somebody needed help to assist the neutrality statutes and  
19 matters like that are very complex and Mark Richard is  
20 a wizard when it comes to stuff like that, and this  
21 was Jensen's way of making sure that the best people in the  
22 Department were making sure it was done right.

23 Q Then the last sentence, would you read it? Your  
24 handwriting is not --

25 A Call Kellner, find out what is up, and advise

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m34 1 him that decisions should be run by you.

2 Q By decisions "run by you", what decisions  
3 were you referring to?

4 A Any major decisions.

5 Q Decision to indict?

6 A Yes, decision to decline, stuff like that.

7 Q A decision to go to a grand jury?

8 A I wouldn't necessarily have thought that would  
9 have been one.

10 Q That would have been one that normally Mr. Kellner -  
11 you would have expected Mr. Kellner to make?

12 A Sure. Absolutely.

13 Q Okay.

14 A I have to tell you that people seem to be looking  
15 for Lowell Jensen up to no good and you won't find that.  
16 I have known this man for years, and the guy is Mr. Integrity.

17 Q I have no reason to doubt that.

18 . There is a reference in the last paragraph to  
19 departmental attorney Thomas Marum.

20 A Yes.

21 Q He is with the Department of Justice Criminal?

22 A He works in the Internal Securities Section  
23 of the Criminal Division and he is probably -- one of the  
24 guys that was assigned to this system, DOJ coordinator.  
25 A lot of things like the Neutrality Act and Espionage Act,

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m35

1 you probably know this, in order to work with these  
2 you have to keep in contact with John Martin in the  
3 Criminal Division. You can't field espionage charges  
4 without approval of John Martin's shop and stuff like that.  
5 It's a standard procedure.

6 Q And that coordination would have taken place  
7 between FBI and Mr. Marum or would it have taken place  
8 between Mr. Kellner's office and Mr. Marum?

9 A Looks like mostly FBI and Mr. Marum which is the  
10 way the Bureau works those things usually.

11 Q Would Mr. Kellner's office, that is Mr. Kellner's  
12 and the Assistant, Jeffrey Fellman in his office working on  
13 that case, be aware of Mr. Marum's involvement?

14 A I don't know.

15 Q As a normal operational matter, would there be  
16 communication between Mr. Marum and --

17 A There could be. I just don't know whether you  
18 can discern a pattern in those things. There could be. There  
19 probably was but again that is just a total guess. The only  
20 way to find out is to ask Feldman, Kellner or Marum. I have  
21 never talked to Marum about this.

22 Q In the context of the investigation that took  
23 place --

24 A Of what case?

25 Q The investigation that took place starting

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m36 1 November, your involvement started November 24, '86. This  
2 was the Iran-contra investigation.

3 A Mine started the 25th.

4 Q 25th, sorry.

5 Do you recall -- there is a reference in your  
6 notes to no leaks, and the importance of not having any  
7 leaks in the investigation.

8 A Yes.

9 Q Do you recall just generally that note? I don't  
10 think there is any need to refer to it.

11 A Yes.

12 Q Do you ever recall the Attorney General discussing  
13 leaks with Mr. Richardson in particular?

14 A On this thing?

15 Q On this matter, yes. Let me rephrase the  
16 question because it may be a little awkward. Do you ever  
17 recall the Attorney General discussing leaks by Mr. Richardson  
18 on this matter?

19 A By Mr. Richardson? No.

20 Q By Mr. Richardson?

21 A No. John Richardson is -- well, he is the one  
22 that usually discusses leaks, they anger him. So I have no  
23 recollection at all of the AG discussing leaks from  
24 Richardson.

25 Q Are you aware of any person in the Department of

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1 Justice speaking with a reporter by the name of Murray  
2 Waas on the night of November 24?

3 A Murray Waas?

4 Q Murray Waas; on the night of November 24, the  
5 evening before the Attorney General's press conference on  
6 the 25th. I know you were not in the loop at this point  
7 but did anyone ever discuss any conversation with a reporter  
8 by that name?

9 A No, because I don't even know that name. For  
10 whom does he report?

11 Q He is I suppose they call in the trade a stringer.

12 A How do you spell Waas?

13 Q W-a-a-s.

14 A Nope.

15 Q I think that is all I have.

16 MR. BUCK: I don't have any questions.

17 THE WITNESS: Pam?

18 MS. NAUGHTON: You will be disappointed, but,  
19 no.

20 THE WITNESS: You don't have any other questions?

21 MS. NAUGHTON: No. If we can hold you for one  
22 second we would like to get these Xeroxed so you can take  
23 back the original.

24 THE WITNESS: Sure.

25 MS. NAUGHTON: Thank you.

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(Whereupon, at 4:40 p.m., the deposition was  
adjourned.)

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Stenographic Transcript of

HSIS 066 87

HEARINGS

Before the

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE  
TO IRAN AND THE NICARAGUAN OPPOSITION

# UNITED STATES SENATE

TESTIMONY OF JAMES L. TULL

Wednesday, May 6, 1987

'Declassified/Release' on 22 Dec 87  
under provisions of E.O. 12958  
National Security Council  
K. JOHNSON

Washington, DC  
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1 TESTIMONY OF JAMES L. TULL

2 Wednesday, May 6, 1987

3 United States Senate

4 Select Committee on Secret

5 Military Assistance to Iran

6 and the Nicaraguan Opposition

7 Washington, D.C.

8 Interview of JAMES L. TULL, a witness herein,  
 9 called for examination by counsel for the Select  
 10 Committee, pursuant to notice, the witness being duly  
 11 sworn by MICHAL ANN SCHAFER, a Notary Public in and for  
 12 the District of Columbia, at the ninth floor, Hart Senate  
 13 Office Building, Washington, D.C., at 1:09 p.m.,  
 14 Wednesday, May 6, 1987, and the proceedings being taken  
 15 down by Stenomask by MICHAL ANN SCHAFER and transcribed  
 16 under her direction.

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 21 Partially Declassified/Released on \_\_\_\_\_  
 22 under provisions of E.O. 12958  
 23 by [REDACTED] National Security Council  
 24 K. JOHNSON

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APPEARANCES:

On behalf of the Senate Select Committee:

TERRY SMILJANICH, Esq.

Associate Counsel

901 Hart Senate Office Building

Washington, D.C. 20510

On behalf of the House Select Committee:

TIMOTHY E. TRAYLOR

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PROCEEDINGS

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(Witness sworn.)

4

Whereupon,

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JAMES L. TULL

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was called as a witness by counsel for the Senate Select  
Committee and, having been first duly sworn, was examined  
and testified as follows:

8

9

## EXAMINATION

10

BY MR. SMILJANICH:

11

Q Give us your full name for the record, please?

12

A James Louis Tull.

13

14

Q Mr. Tull, this is a deposition being taken by  
both the Senate Select Committee and House Select  
Committee on the Iran-contra matters. I'm going to be  
asking you several questions. If there's anything I ask  
you that you don't understand, please let me know and  
I'll be happy to rephrase my question.

19

A Fine.

20

Q You are a career <sup>e</sup> foreign service officer; is  
that correct?

22

A Yes.

23

Q How many years of service do you have?

24

A 29 years as of April of this year. ~~Entered~~  
in March, ~~March of 1958.~~

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1 Q What is your current position?

2 A I'm assigned temporarily to the Bureau of  
3 Personnel in Washington since my departure from San Jose  
4 on the 11th of March.

5 Q Are you waiting on a particular assignment  
6 here in Washington?

7 A Yes, I am. I'm waiting on one of the  
8 positions that I've asked for in Washington.

9 Q In your foreign service career, have you  
10 primarily specialized in any particular geographical  
11 region?

12 A I've spent more time in the Latin American  
13 bureau than in any other. I have only had two out of  
14 Latin America assignments overseas, one to London in the  
15 early sixties and to Cyprus about five years ago -- four  
16 years ago.

17 Q Do you speak Spanish?

18 A Yes.

19 Q What was your tenure in Costa Rica? What were  
20 the dates of your tenure?

21 A I arrived on direct transfer from Bogota  
22 the 5th of July, 1985. And I left -- I was continually  
23 in service there until my departure on the 11th of March  
24 of this year.

25 Q 1987?

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1 A 1987.

2 Q Prior to your assignment in Costa Rica, where  
3 had you been assigned?

4 A I had been assigned the previous year in  
5 Bogota, Columbia, at the embassy, and prior to that I had  
6 been assigned for three years at the American embassy in  
7 Nicosia, Cyprus; prior to that, three years at the  
8 American embassy in Santo Domingo, Dominican Republic --  
9 all with the same position, deputy chief of mission.

10 Q As deputy chief of mission, are you basically  
11 the second ranking officer at the embassy?

12 A Yes, sir.

13 Q And when the Ambassador is gone, you become  
14 the charge?

15 A Yes, sir. I was charge after Ambassador Tambs  
16 left Bogota for about six or seven months before my  
17 departure, and again when he left Costa Rica in January I  
18 took over as charge until my own departure on the 11th.

19 Q When did you first meet Ambassador Tambs?

20 A I met Ambassador Tambs for the first time when  
21 I was assigned to him from Cyprus in, it would have been,  
22 in August of 1984, when I left Cyprus, and I was assigned  
23 as his deputy chief of mission in Bogota, Columbia.

24 Q How did you come to be appointed deputy  
25 chief of mission in Costa Rica?

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1           A    He asked for me. That's the reason I served  
2 only one year in Bogota, because it's any Ambassador's  
3 prerogative to select his number two. And since we had  
4 worked together, and well, I thought, in Bogota, he upon  
5 his own appointment to Costa Rica asked that I be sent  
6 there as his number two.

7           Q    What kind of working relationship did you have  
8 with Ambassador Tambs?

9           A    I had a very fine working relationship,  
10 probably one of the ~~closest~~ working relationships I have  
11 had with any American Ambassador.

12          Q    Ambassador Tambs was a political appointee?

13          A    Correct.

14          Q    What did you think of his capabilities as an  
15 Ambassador during the time you served under him?

16          A    Well, I served under him at two posts. I  
17 thought he was unusually qualified to be a chief of  
18 mission, because he had spent literally his entire adult  
19 life in one fashion or another in Latin America, as a  
20 student; later, he had ~~his own~~, not oil company, but it  
21 was a company that was contracted, I think, by Creole Oil  
22 in Venezuela doing construction for them.

23                   I think his degree was in engineering. But  
24 his time was spent in Latin America. And then he went  
25 back, took his university degrees, and is now a professor

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1 of Latin American history at Arizona State University.

2 So he had a very, very long, practical and  
3 intellectual association with the hemisphere.

4 Q When you arrived in Costa Rica in July of  
5 1985, [REDACTED] whom we'll refer to as his  
6 pseudonym [REDACTED] of Tomas Castillo, is that correct?

7 A Correct.

8 Q Had you known Mr. Castillo from [REDACTED] previous  
9 [REDACTED]

10 A Yes.

11

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Q When you arrived in Costa Rica and after  
Ambassador Tambs arrived to take his post, did the  
Ambassador call a meeting of certain people to discuss  
what his mission or missions were in Costa Rica?

A Yes, he did. He arrived there, as I recall,  
toward the end of July. I think I had been in charge of  
the post for about two weeks when he arrived.

And immediately upon his arrival, I think it

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1 was the following day, he asked Castillo and I to his  
2 home, and I think that's the meeting you're referring to.

3 Q Who all was present for that meeting?

4 A The Ambassador, Castillo, and myself.

5 Q At some time in this meeting, did Colonel Lent  
6 -- did Colonel Lent attend the meeting, do you recall?

7 A It's possible. John lived nearby. It's  
8 possible. I don't recall him being there, but it's  
9 certainly possible.

10 Q What did Ambassador Tambs tell you and Mr.  
11 Castillo about his mission in Costa Rica?

12 A Well, he said that one of the important and  
13 priority goals and duties that ~~he~~ had been assigned there  
14 was such assistance as he could give to the opening of  
15 the southern front, a military front in Nicaragua.

16 Q What did you understand he meant by a southern  
17 front in Nicaragua?

18 A Well, at that time there were some resistance  
19 fighters in Nicaragua, in southern Nicaragua, and that's  
20 basically the only thing I know about, the only thing I  
21 was associated with.

22 There were ~~some~~ under Negro ~~Chamorro~~. There  
23 were ~~some~~ under Eden Pastora, ARDE. They were located  
24 above the Costa Rica border, ~~\_\_\_\_\_~~  
25 ~~\_\_\_\_\_~~

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1                   And as I understood it, what Ambassador Tambs  
2 was telling us was that one of his priority objectives he  
3 had been assigned was to do what he could to strengthen  
4 the effectiveness of those forces then in place.

5                   Q     Where did Ambassador Tambs say he had gotten  
6 those instructions from?

7                   A     He used the White House and the NSC, as I  
8 recall, trying to think back now and be a little more  
9 precise. Those terms were used sort of interchangeably.  
10 But my understand<sup>ing</sup> was the NSC.

11                  Q     Did he name any particular person at the NSC?

12                  A     No, sir.

13                  Q     Was there a discussion held at that time as to  
14 how this mission could be accomplished?

15                  A     No, there wasn't. There wasn't.

16                  Q     Did Mr. Castillo discuss the various  
17 personalities in the south as military leaders and his  
18 impressions of them?

19                  A     I don't recall on that occasion or not, but  
20 certainly, you know, early on -- of course, I had arrived  
21 there before the Ambassador and I had received from him  
22 the standard agency briefing ~~that any~~ deputy chief of  
23 mission gets when he arrives at a post.

24                  And so I knew an early knowledge of Eden  
25 Pastora and Chamorro. Castillo was very frank in his

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1 evaluation, particularly of Pastora. So I don't recall  
2 whether we discussed it that first day, but it certainly  
3 was one of the early things, yes.

4 Q What did Mr. Castillo say about Mr. Pastora?

5 A He had a very, very low opinion of Eden, both  
6 as a leader and as an experienced military officer. I  
7 gathered that Castillo had found him to be erratic,  
8 highly emotional, untruthful, not to be trusted.

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13 Q Did Mr. Castillo say that he hoped to wean the  
14 other troop leaders away from Pastora?

15 A Not at that point. That developed later on.  
16 I mean, it might have been part of the work at that time.  
17 I just don't tie it to that early period.

18 But certainly, yes, as the months, early  
19 months went on, it was clear that what he had hoped to do  
20 would be to take those military commandantes.

21 and split them away from Pastora and get  
22 them fighting

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[REDACTED]

They weren't anything but an enormous problem for the government of Costa Rica, because [REDACTED] [REDACTED] they were acting like rural bandits. They were stealing cows and chickens and harassing the farmers.

And at that point, with the Sandinistas right on the border [REDACTED] the farmers thought they were having a hard enough time anyway, because there were incursions by the Sandinistas, probing patrols. They later on did some mining on the Costa Rican side.

And in the middle were these absolutely ineffectual, worthless groups that Eden had, doing nothing, but increasingly becoming part of the problem instead of part of the solution.

And I'm sure what was in Castillo's mind was, what was in all of our minds, is the war is inside Nicaragua [REDACTED] and if those guys want to do something, they ought to go back in there and do it and not harass the poor farmers up in the northern jungles.

Q Did Castillo early on describe to you or tell you about some of his past experiences with the CIA, with

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1 the Agency, and how he intended to conduct himself in the  
2 future as a result of that experience?

3 A No. I knew -- I can't tell you where I knew  
4 it, but I knew that he had had difficulties early on with  
5 association with the famous comic book for guerilla  
6 warfare or something like that. So I knew that he had  
7 had a difficult time.

8 But I can't tell you -- he didn't tell me  
9 that, but I knew it.

10 Q Didn't he once tell you, though, that he had  
11 been burned before and that he was going to get his  
12 instructions in writing from now on, so he'd have a paper  
13 trail?

14 A That's true. But it wasn't in that context.  
15 It would be more in the context -- and this went on  
16 several times. I can remember him saying: I was called  
17 by Washington ~~and he said to me~~ that in the  
18 records, give me a written instruction; I don't want any  
19 oral instructions.

20 And knowing, as I knew, his previous problems,  
21 it appeared to me that he was being more than usually  
22 careful not to be, in effect, on the end of the limb  
23 again.

24 Q What did you understand the policymaking organ  
25 to be that was in charge of giving direction to the

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1 mission in Costa Rica?

2 A Well, it was the RIG, the Restricted Inter-  
3 Agency Group. In thinking about it -- and I can't tell  
4 you when the RIG was formed. I just don't know. I don't  
5 recall in my month or two of service in Costa Rica  
6 references to the RIG. I just don't recall that at all.

7 But that quickly became the mechanism that we  
8 all referred to.

9 Q And who did you understand to be the members  
10 of the RIG?

11 A Well, the ones that I know of were Colonel  
12 North in the National Security Council, Elliott Abrams in  
13 the State Department, and [REDACTED]  
14 Intelligence Agency. I'm sure there are many more people  
15 connected with it than that, but those were the three  
16 principals so far as we were concerned.

17 Q Okay. How did the RIG communicate its various  
18 instructions to the mission?

19 A They came through Castillo [REDACTED]  
20 [REDACTED]

21 Q In other words, the communications were  
22 tightly held [REDACTED]  
23 [REDACTED]

24 A That's correct. Almost exclusively, I'd say  
25 that that was the channel used. And so far as being very

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1 closely held, as I mentioned to you before, one of the  
2 things that Tams told me very early on is that, in view  
3 of the very sensitive nature of this, he intended to keep  
4 the foreign service as far from it as he possibly could.  
5 And without going into, you know, instructions or  
6 guidelines, we've never talked about that, but my clear  
7 understanding of that was that he would keep me as well  
8 informed as he thought I had to be, in other words need  
9 to know, and that would be that.

10 And that was the way we operated on this, and  
11 I did not engage with him on the kinds of questions that  
12 I'd normally ask an Ambassador about other policy goals  
13 or implementation. I waited for him to tell me.

14 And you know, he was within his own confines,  
15 I think, open with me.

16 Q Okay. Now, the RIG was officially, at least  
17 on paper, a rather large organization, composed of  
18 representatives from the Joint Chiefs of Staff,  
19 Department of Defense, other groups. But I just want to  
20 make sure I understand this.

21 Your perception of the RIG seemed to be  
22 primarily Elliott Abrams, [REDACTED] and Oliver North,  
23 is that correct?

24 A That's correct. And I'm not aware that DOD  
25 was involved. Perhaps they were, but not in my

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1 perception at all.

2 Now, when I say those three, I know that they  
3 had staffs. I know there are other people involved. And  
4 as I mentioned earlier, one of the problems that we  
5 always had which was never resolved was who knew what?  
6 And so we were always very careful in discussing anything  
7 with Washington visitors, because it was never clear to  
8 me who was in the loop and who wasn't.

9 Q In other words, for example, from the State  
10 Department you would know that Elliott Abrams was  
11 knowledgeable, but below him and who on his staff was  
12 brought into it you didn't know?

13 A No, I did not.

14 Q Now, back to your initial time in Costa Rica,  
15 did there come a point when the possibility of creating  
16 an airstrip in ██████████ Costa Rica became a matter that  
17 related to the opening up of the southern front?

18 A Yes.

19 Q Tell me about that?

20 A As I best recall it, it was in the fall after  
21 we arrived there of '85. I would say, oh, in sort of the  
22 October time frame, that Tambs mentioned to me and, as I  
23 recall, Castillo -- the three of us were in his office  
24 and he said to me that there was a private group of  
25 Americans that wanted to open, reopen an old air field in

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1 [REDACTED] Costa Rica, as an  
 2 emergency airfield for air supply flights; and that he  
 3 had been tasked [REDACTED] Costa  
 4 Rica as to whether they would be willing to entertain a  
 5 proposal of this kind from this group.

6 That's the first mention of it, and it was, I  
 7 think, as I say, in October '85, something like that. It  
 8 might have been September, but I just don't recall.

9 Q Now, did you have the impression from what  
 10 Ambassador Tambs told you that this air strip was his  
 11 idea?

12 A No, absolutely not, absolutely not. This is  
 13 one of the things that struck me in some of the things  
 14 that have been said about this. Now, this is not to say  
 15 that he didn't favor it. He did. He thought that if [REDACTED]  
 16 [REDACTED] approved [REDACTED] it could be kept quiet --  
 17 because it obviously was going to be a tremendously  
 18 sensitive political issue -- that it would be a good  
 19 idea.

20 And the reason for that is that the distances  
 21 that airplanes had to fly, they needed an emergency  
 22 place. My understanding was that that was to only be  
 23 used for emergencies and that was the reason for  
 24 [REDACTED] leaving Miraflores empty.

25 The reason for that is the extreme sensitivity

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1 of Costa Ricans to anything military entering their  
2 country.

3 Q So the site was to be used for refueling  
4 purposes and not for the offloading of any cargo itself?

5 A No, no, there was to be no storage and no  
6 warehouse, nothing of that. It was to be used as an  
7 emergency refueling stop.

8 Q Well, did Ambassador Tambs or anyone else ever  
9 say where these instructions or ideas regarding the  
10 airstrip had come from?

11 A No, sir. And I never asked him. I assumed  
12 they came from Washington. It wasn't the type of thing -  
13 - it's not the type of thing that Ambassador Tambs would  
14 have dreamed up and put into motion. He is not that kind  
15 of an Ambassador.

16 Q Okay. Now, the Ambassador then did have [REDACTED]  
17 [REDACTED]  
18 [REDACTED] to smooth the way for this airstrip, is that  
19 right?

20 A [REDACTED]  
21 [REDACTED] he had to find out if they were willing to  
22 entertain this type of idea. [REDACTED]  
23 [REDACTED]  
24 [REDACTED]  
25 [REDACTED]

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1 [REDACTED]  
 2 I can't tell you what the time was, but it was  
 3 very soon afterwards.

4 Q Did there come a time when the airstrip was  
 5 discussed with Secretary Abrams, [REDACTED] and Oliver  
 6 North at some type of a meeting or get-together?

7 A Yes. And I have tried to -- see, Elliott took  
 8 over as Assistant Secretary, I think, in July of '85, and  
 9 his first visit as I recall it was some time around  
 10 Christmas of that year, maybe a little after, maybe a  
 11 little earlier.

12 but he did come down, because he came down  
 13 late in the afternoon [REDACTED]  
 14 [REDACTED]  
 15 [REDACTED]

16 I did not attend that meeting, but my  
 17 perception is the airfield might have been discussed at  
 18 that meeting with [REDACTED] who had already approved  
 19 it.

20 The next day, I recall as Elliott and others  
 21 were leaving we were standing in the Ambassador's office,  
 22 a bunch of us, and they were literally ready to leave for  
 23 the airport right then, and the Ambassador cleared the  
 24 room with the exception of Elliott and Castillo, [REDACTED] I  
 25 believe, himself, and me. And we discussed for perhaps

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1 five minutes or less, he discussed where the airfield  
2 stood, what was happening.



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7 It was a very brief discussion. We were  
8 literally standing up inside of his closed door. And at  
9 that point, why, the parties left. That was the first  
10 discussion that I recall of it at which Elliott was  
11 present.

12 I had assumed that he was in the loop the  
13 whole time, because throughout this he were acting  
14 pursuant to instructions from Washington.

15 Q Well, as far as the date of this conversation,  
16 of course, it would have been before the election of  
17 President Arias in February.

18 A  
19 Q It was during a time in which the airstrip was  
20 not a finished product?

21 A No. I want to emphasize that this was not, as  
22 I've read, this is not a new airstrip at all. I think  
23 that that strip had been there in the late forties and  
24 fifties, and then it just had been allowed to decline,  
25 disused.

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1                   And basically the construction was, as I  
2 understood it, was basically grading, because there was a  
3 small river that went along, right along inside, and  
4 there had been a lot of degradation of the old gravel  
5 strip. So it wasn't this big sort of grandiose project  
6 that you think about when you're constructing an  
7 airfield. The basic part of the strip was still there.

8                   Q     And when this brief discussion was held before  
9 Secretary Abrams left, it was certainly treated as a  
10 sensitive discussion, because other people in the room  
11 were asked to leave?

12                  A     Absolutely.

13                  Q     Now, you mentioned the possibility of [REDACTED]  
14 [REDACTED] being there. I'd like you to stop and think about  
15 that. If you can tell me you remember him being there,  
16 he might have been there, or you just don't know; think  
17 about that for a minute.

18                             (Pause.)

19                  Q     As I recall it, it was Elliott's first visit  
20 in the area, and he had -- it wasn't just a visit to  
21 Costa Rica. I mean, he had visited, I think, other  
22 places. I am quite certain [REDACTED] was with him, quite  
23 certain.

24                  Q     Now, there was a chief of missions conference  
25 in Panama in, I believe, early September of 1985. Now,

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1 as the deputy chief of mission, you wouldn't go to that,  
2 is that right?


3 A No.

4 Q Did Ambassador Tambs ever talk to you about  
5 discussing with anyone at the chiefs of mission  
6 conference this airstrip or the opening of the southern  
7 front?

8 A No, no, he wouldn't do so.


9 Q What do you know about the airstrip after  
10 that, how it was built, who built it, any people that  
11 participated in it?

12 A Well, I knew that the strip -- I never saw the  
13 strip



14  
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16 The discussions that then occurred through the  
17 winter months of '85 and into '86 were, you know, fairly  
18 brief, the type of thing, well, you know, what's  
19 happening out there? Well, we're having grading  
20 problems. When is it going to become ready for use?  
21 We're not sure yet.

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23  
24 As to who the private Americans  
25 were and what arrangements they made with the owners, I

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1 frankly don't know.

2 As I mentioned to you the other day, the only  
3 name I ever heard was a nickname, One-Eyed Jack. I don't  
4 know who One-Eyed Jack is to this day. I did know that  
5 there was an American businessman there who was one of  
6 the owners of that property, Joe Hamilton, who is a  
7 resident there in Costa Rica. And it was from his group,  
8 whatever group it was, that the property was leased or  
9 purchased or whatever arrangements were made.

10 But what the modalities were and, you know,  
11 the later press accounts of Udall Corporation in Panama,  
12 I wasn't privy to that.

13 Q Did you ever hear any mention of a Panamanian  
14 corporation that was involved with the strip?

15 A I did not.

16 Q I might as well finish up with the airstrip.  
17 What happened when President Arias was elected?

18 A Well, the airstrip -- elections were on the  
19 8th of -- 15th of February of '86. And of course, Arias  
20 won and I recall the Ambassador on several occasions  
21 saying, you know, what's going to happen to the airstrip  
22 is going to be one of the things that he early on is  
23 going to have to get to President Arias about.

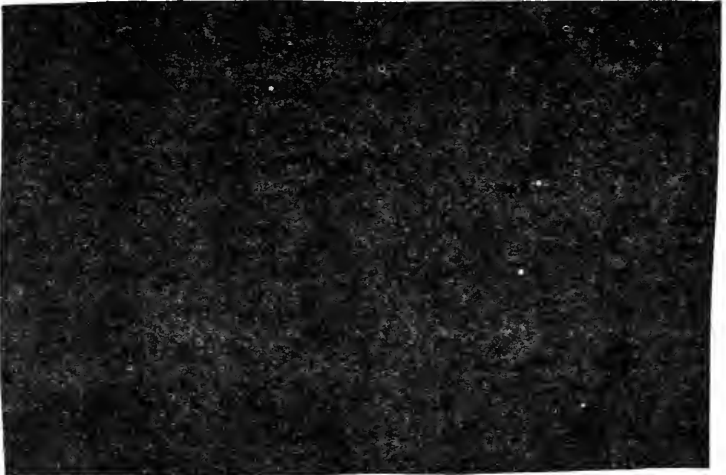
24 The airstrip was finished in that period  
25 between election day on the 15th of February and the 8th

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1 of May. By inauguration, the strip could be used, to my  
2 understanding.



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15 So I was gone from the 17th of May for four  
16 weeks, and got back on a Saturday, which I think was the  
17 15th or 16th of June. And one of the first things the  
18 Ambassador told me was, the President's just told me that  
19 the airstrip cannot be used.

20 Q Okay. To your knowledge, was the airstrip  
21 ever used for refueling purposes?

22 A Well, as I said to you the other day, to my  
23 knowledge there was never an operational flight off of  
24 that airstrip. But how then do you fit that with the  
25 famous stuck airplane?

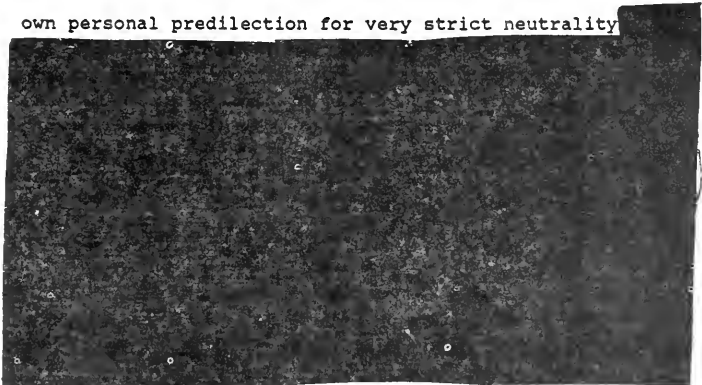
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1                   And those dates, I just don't know. In other  
2 words, when did the airplane get stuck and when did the  
3 President say to Ambassador Tambs, no, it can't be used?  
4 It might have been like that -- in fact, it could be that  
5 as a result of that airplane getting stuck out there,  
6 this could have caused the President to say, don't use  
7 it, because President Arias, much more so than President  
8 Monge, was extremely, extremely sensitive about any  
9 involvement by Costa Rica in the Nicaraguan conflict.

10                   There were a number of reasons. I think his  
11 own personal predilection for very strict neutrality



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21                   It could well be, and I don't know -- Tambs  
22 could answer that, I think --

23                   Q    I don't want to put the thought in your head,  
24 but do you recall that when you came back from your  
25 absence in May getting into mid-June that Ambassador

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1 Tambs told you about the stuck plane incident when you  
2 came back?

3 A Castillo told me first, as I recall. The  
4 following Monday, my first day at work, as I recall.

5 Q So you do recall that you learned about this  
6 incident when you came back from your vacation?

7 A Yes indeed. Almost at the same time  
8 Ambassador Tambs told me that he had gotten -- that Arias  
9 had told him that the airport could not be used.

10 Q Did Castillo tell you what was on the plane  
11 when it was stuck?

12 A No.

13 Q Did he tell you anything was on it?

14 A No.

15 Q What did he say happened as a result of this  
16 incident?

17 A The plane landed and got stuck in the mud  
18 out there, that's basically it. Now, I have assumed -- I  
19 never asked about this -- that when the airfield was  
20 finally occupied by the Costa Rican civil guard finally,  
21 they picked up gasoline drums of gasoline there. My  
22 assumption was that the plane brought that gas in to  
23 preposition it in case it could be later used for  
24 operations flights.

25 This is why I say to my knowledge there was no

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1 operational flight. I had assumed that that gas was  
2 brought in and put there for later use and the plane got  
3 stuck.

4 Q Now let's go back, actually not too far, but  
5 let's go back to March of 1986. Some time toward the end  
6 of that month, General Singlaub and an associate of his  
7 named Barbara <sup>+</sup>Sudley -- you don't know about her?

8 Well, General Singlaub came to Costa Rica.  
9 When did you first hear that he was coming or that he was  
10 there, and in what context did you learn it?

11 A It was a Monday morning, as I recall it. The  
12 Ambassador called me in to say that he had been called  
13 that weekend by General Singlaub. We didn't know that he  
14 was coming, didn't know he was there.

15 Singlaub called to say: I'm here, I've been  
16 talking to Eden Pastora, and I want to come in and tell  
17 you what I've been talking to Pastora about. And that  
18 was on a Monday morning, as I recall.

19 I seem to recall then that Singlaub came in  
20 the next day, on Tuesday morning. I'm not quite clear on  
21 that, but I remember learning of the Ambassador telling  
22 me, well, Singlaub's here, he just called me over the  
23 weekend and said he wanted to come in and talk to him.

24 And he did come in and spend, as I recall it,  
25 about two hours, from about 10:00 o'clock until noon.

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1 Q Who was present in this discussion?

2 A Well, first the Ambassador met with him alone  
3 for I would think an hour. Then he called me in, and  
4 then called Colonel Lent down later on. I think I came  
5 in, it must have been around 10:00 o'clock, and Colonel  
6 Lent must have come down about -- let's see.

7 I went in about 11:00 o'clock. I think  
8 Colonel Lent came down later, about 11:30. The  
9 Ambassador had to leave. He left about 11:30. I don't  
10 recall why.

11 But at the end, it was just Lent and I and  
12 Singlaub having a rather vague conversation. Certainly  
13 he did not discuss with us what he had talked to Pastora  
14 about. The conversation and one of the reasons we  
15 brought John down was, while the Ambassador and I were  
16 with him Singlaub was talking about Pastora, but seemed  
17 not to know too much about him.

18 John Lent had been military attache in  
19 Nicaragua and knew all of the characters probably better  
20 than any of us. And as I recall, the Ambassador called  
21 him down for that reason.

22 And that last half hour that John and I were  
23 there, it was Singlaub talking about Pastora and what  
24 kind of a man he was. John did not think very highly of  
25 him, either. Neither did I, Pastora.

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1                   But that was basically the substance of the  
2 conversation. And then Singlaub said he had to go back  
3 to his hotel to get a suit, and I was going to lunch, and  
4 so I put him in the van that I had and drove him over to  
5 the hotel and dropped him off for lunch. And that's the  
6 last time I have ever seen him.

7                   Q     Do you specifically recall that Castillo was  
8 not present for this conversation?

9                   A     I don't think Castillo was in the country that  
10 day. 

11   
12                   It's my recollection he was not, because I recall  
13 Castillo telling me when he came back that -- it was just  
14 a few days, that he was very glad he had been away.

15                   We did not know Singlaub was coming.

16                   Q     Did you get any indication from Castillo that  
17 he knew that Singlaub was in the country?

18                   A     No.

19                   Q     Now, Singlaub in this meeting gave to the  
20 Ambassador the terms of an agreement he had reached with  
21 Eden Pastora, is that correct?

22                   A     Evidently so.

23                   Q     Were you there for that part of the  
24 conversation?

25                   A     No, I was not.

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1           Q     Do you know whether or not the Ambassador had  
2 a written agreement that was given to him or not?

3           A     No, he did not -- he told me he did not ask  
4 for it, nor did Singlaub offer him any copy or anything  
5 like that. As a matter of fact, it was some time later,  
6 a month or two later, when the Ambassador was having one  
7 of his periodic interviews with the visiting press, in  
8 this case Tom Golden of the Miami Herald, and at the end  
9 Golden -- I got this from the Ambassador when he came  
10 back from across the street, where he was giving the  
11 interview.

12                     Golden said -- the Ambassador said that Golden  
13 had begun to press him very hard. Singlaub was here; did  
14 you talk to him, did you intervene for him? Are you  
15 cooking up an agreement?

16                     Well, of which the Ambassador denied. He said  
17 he had never seen an agreement. At which point the  
18 Ambassador said Golden reached in his pocket and pulled  
19 out a piece of paper and said: If you want to read it,  
20 here it is.

21                     And the Ambassador said: No, I don't want to  
22 read it. The Ambassador did, however, report that  
23 conversation with Singlaub that afternoon.

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But on that, I want to make sure on the record, to my knowledge -- and as a matter of fact, before he left Costa Rica in January, I asked the Ambassador about this -- there was never any single [REDACTED] message sent from the embassy in Costa Rica by the Ambassador that was sent anywhere but [REDACTED] to Elliott Abrams.

And I know in this case it was sent to Elliott Abrams because of the nature of the reply we got back.

Q But what you're saying is the Ambassador told you that any time he used this [REDACTED]

[REDACTED] he did not [REDACTED] to communicate with [REDACTED] without informing Secretary Abrams?

A Absolutely not, absolutely not. That again would be very, very contrary to Tambs' nature.

Q Anyway, there was a little bit of a controversy that erupted in the cables when the agreement was cabled back, is that right?

A Indeed there was. I did not see -- the Ambassador just as an operating style, whenever he had a report to do he would sit down and make notes during a

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1 conversation, then sit down and dictate it off. If I was  
2 there, invariably he would show it to me. If I happened  
3 to be away for some reason, he would just send it out,  
4 and usually in those cases I'd pick it up later.

5 In this case, for whatever reason, I never saw  
6 that message. I could have by [REDACTED]  
7 [REDACTED] simply pulling a copy and reading it.

8 But we got a very hot reply back from  
9 Washington, that had evidently chosen to interpret the  
10 message in a way that made the Ambassador the broker of  
11 some kind of a deal between Singlaub and Pastora, which  
12 is absolutely untrue.

13 And the message that came back was from  
14 Elliott for the Ambassador in State channels, the NODISS  
15 channel, and it was hysterical, I would say. It  
16 questioned the Ambassador's loyalty to the President. It  
17 was so unexpected, I can't tell you.

18 What I had thought the Ambassador had sent is  
19 he had sent a reported cable up of his conversation.  
20 Elliott evidently did not choose to interpret it that  
21 way.

22 So immediately another message was sent to  
23 clarify to Elliott and others: Look, there was no  
24 brokering, there was no deal; it was just Tams hearing  
25 out Singlaub and reporting what Singlaub said.

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1           Q     Did you ever get any indication from the  
2     Ambassador that he was for, against, or neutral about the  
3     terms of the agreement between Pastora and Singlaub?

4           A     I think he thought the whole effort was  
5     foolish, absolutely foolish, because it would have been  
6     clear to most anyone, certainly clear to anyone in the  
7     embassy in Costa Rica, that Pastora was not a man who  
8     could be trusted an inch.

9                     He was -- as the Ambassador used to say, he  
10    envisaged himself as a social democratic Somoza. We were  
11    dealing with an ego of epic proportions there and no  
12    ability behind it. And the Ambassador just dismissed it  
13    as a waste of time.

14          Q     Can you recall any other occasions other than  
15    the two you've mentioned in which the Ambassador used [REDACTED]  
16    [REDACTED] to communicate with Secretary Abrams and  
17    others?

18          A     It was very infrequent.

19          Q     The two, being the Pastora-Singlaub agreement  
20    and the Golden press conference; do you recall any  
21    others? I realize it wouldn't be frequent, but do you  
22    have any other specifics?

23          A     Now wait a minute. I don't think he reported,  
24    there would be no reason to report the Golden press  
25    conference, in [REDACTED] The Golden press conference

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1 was like a month later, and the relevance to the Singlaub  
2 thing was Golden saying, do you want to read it, and the  
3 Ambassador said, no, I don't want to read it.

4 Q As a matter of fact, we have a copy of the  
5 cable, the matter about Golden, and that was a [REDACTED]  
6 [REDACTED] communication to Abrams, [REDACTED] and North.

7 A Fine. I didn't know about that.

8 Q Anyway, aside from that, do you have any  
9 specific examples you can give us of when that [REDACTED]  
10 was used?

11 A By the Ambassador? It was infrequent.

12 Q That's what I mean, by the Ambassador?

13 A I don't really recall.

14 Q Can you tell me that there were other  
15 occasions in which it was used, you just don't know what  
16 they were?

17 A Yes, yes. But you know, as I said earlier on,  
18 the things that remain high points in your memory are the  
19 very unusual, the out of the ordinary. None of this for  
20 a year and a half was itself sort of out of the ordinary.

21 I mean, we were operating under a very tight  
22 set of guidelines from Washington, and I'm sure -- I know  
23 that there were other occasions, and I just don't recall  
24 what they were.

25 Q You used the term earlier "private Americans,"

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1 and I think the last time we talked you used the term  
2 "private patriotic Americans." Where did you get that  
3 term from?

4 A That was Tambs' sort of smiling phrase.

5 Q Did he ever say where he got that term from?

6 A No.

7 Q Going back to the airstrip, there came a time  
8 later on in the year in 1986 when information came your  
9 way that the minister of public security was going to  
10 have a press conference in which he was going to  
11 announce, and perhaps denounce, the strip, the airstrip.

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And so in that intervening period after Arias said no -- and I think initially they did send some civil guardsmen there, maybe for a week, but then they were withdrawn. And Tambs felt strongly that they should keep that airstrip under surveillance, and nothing was done.

So then we had the information on a Friday in August, late August -- the Ambassador was on home leave then -- that Garron was going to go public with this, and we assumed would denounce it as a violation of Costa Rican neutrality, on a Saturday morning.



Tambs -- no, he wasn't on home leave at that point. He was at a conference at Greensboro, North Carolina. He was out of the country for only just several days, and he told me when he came back, which I think was the next Sunday, that the news of this had created a good deal of turbulence in Washington, and that he had been contacted on it, saying that it was going to be very, very difficult in Washington.

It was politically very sensitive. It was

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1 going to be very difficult in Costa Rica. And Tambs told  
2 me that he talked to President Arias by telephone  
3 midnight Friday or early Saturday morning, first to say,  
4 do you know that your minister of public security Garron  
5 is going to give this press conference?

6 And the President did not know. And according  
7 to what I got from the Ambassador, he pointed out to the  
8 President that this was going to be a very difficult  
9 political issue, both in Washington and in Costa Rica.  
10 The terms of that discussion I don't, frankly, know.

11 But in any case, the press conference was  
12 cancelled.

13 Q Did you know that Ambassador Tambs had been  
14 on a press conference call with Secretary Abrams and  
15 Oliver North in connection with that issue?

16 A Obviously, he was in Greensboro. He got the  
17 word some way. I'm always assumed that either Elliott  
18 or Nease or someone called him and said, look, can you  
19 get onto the President and tell him to get that thing  
20 cancelled, which he did.

21 Q Now, after the Power report came out, in which  
22 it quoted a message from Oliver North to Admiral  
23 Poindexter in which he talked about having talked, or  
24 implied that he had talked, with President Arias and had  
25 threatened a head of state, after that report came out

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1 you had a conversation with President Arias in which that  
2 subject was brought up, didn't you?

3 A Correct, I did. Before I left Costa Rica on  
4 the 10th of March, I made a farewell courtesy call,  
5 farewell on the President.

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10 And he was upset by that, because he said, who  
11 is this North? He said, I've never talked to him, I've  
12 never seen him. You know, he said, ~~and he said~~ about  
13 ~~cutting~~ is absolutely ridiculous.

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1 Q But he basically stated that he never to his  
2 knowledge ever talked to Oliver North in his entire life?

3 A Absolutely.

4 Q Were there one or more occasions on which  
5 airplanes, private airplanes making drops, supposedly  
6 making drops of supplies into Nicaragua to the contra  
7 forces, had to make emergency landings at the San Jose  
8 International Airport?

9 A That happened three or four times.

10 Q Tell me what you can recall about those  
11 incidents?

12 A They were basically fairly straightforward, in  
13 the sense that we would learn -- I assume that the  
14 information would come from Castillo on the basis of UNO  
15 radio contacts with the plane. And it was an  
16 unexceptional procedure, in the sense that the plane  
17 would simply land, refuel, file a flight plan, pay the  
18 airport fees and fuel costs, and take off. I mean, it  
19 was nothing.

20 That happened, I'd say, three or four times as  
21 I recall. I don't ever recall it happening in '85. I  
22 think all in '86.

23 Q Do you recall the Ambassador telling --

24 A Excuse me. [REDACTED]

25 [REDACTED] But my impression is

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1 that a lot of that information was coming [REDACTED]  
2 from UNO, from their own radios.

3 Q Do you recall the Ambassador telling you that  
4 he had given any instructions to Castillo about any such  
5 possible flights during any time you might be absent from  
6 the country?

7 A During any time I might be absent?

8 Q Any time he might be absent from the country.  
9 I'm sorry.

10 A I recall he told Castillo on occasion where he  
11 was going to be out -- he was invited out to make  
12 speeches and things. I remember his telling Castillo  
13 that he did not want to have any resupply flights during  
14 the time he was absent from the country. I recall that  
15 once, yes.

16 Q During your tenure in Costa Rica, did you ever  
17 have the impression that the Ambassador was free-lancing,  
18 so to speak, was off on his own on the various matters he  
19 was involved with that we have discussed?

20 A Absolutely not, absolutely not, just  
21 unequivocally no. This would not be in keeping with  
22 Tambs as I know him as an Ambassador. He was not a timid  
23 man, but he was not one that would freelance,  
24 particularly on an issue of this sensitivity. No,  
25 absolutely not.

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1 Q You certainly had the feeling that he was  
2 getting his directions and keeping informed these three  
3 members of the RIG we discussed earlier?

4 A Absolutely. As I mentioned to you when we  
5 talked earlier, you know, quite the reverse was true.  
6 One of the problems that we had there was what I'd say  
7 micromanagement from Washington.

8 There were things going on, for instance there  
9 were conversations with Pastora, particularly after he  
10 decided to throw in the sponge and leave the struggle.  
11 There were conversations here with various Meskito and  
12 Masurisata Indian groups. There were conversations here  
13 with UNO.

14 Q Here, you mean in Washington?

15 A In Washington or other places. And contacts,  
16 certainly none of which we knew about, none of which we  
17 were informed about, and the normal fashion would have  
18 been by *Secta or possibly down through the RIG*  
19 ~~been by State or possibly down through the RIG~~

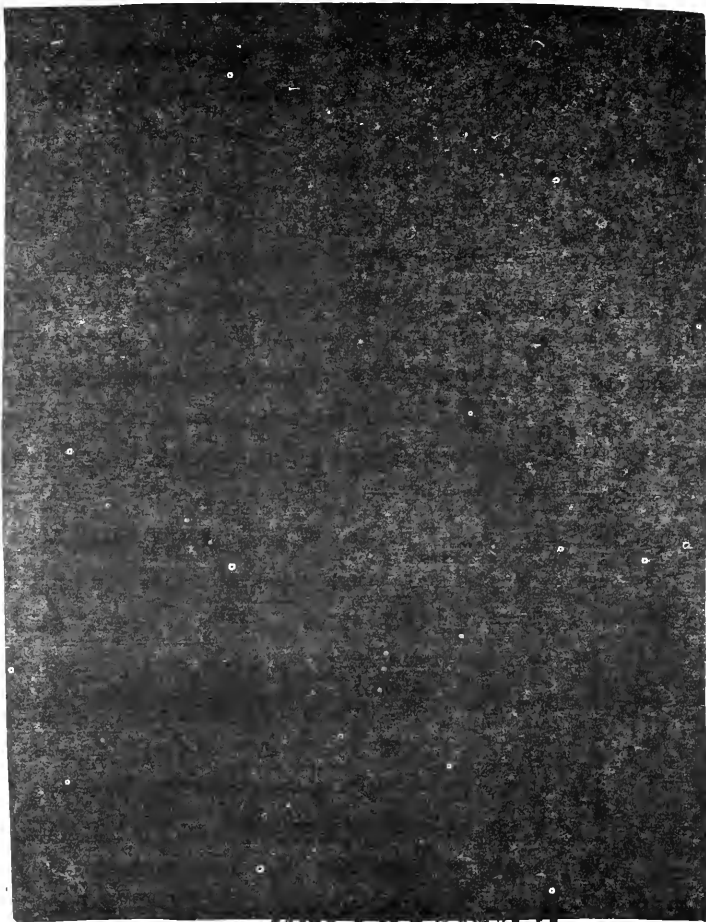
19 And it was very disquieting, because at that  
20 time when we were cheered that Pastora had finally given  
21 up and gotten out and those people that he had that  
22 wanted to fight had gone into fight and the rest had  
23 simply become refugees, and that was a very great plus,  
24 there were obvious contacts to Pastora by Washington  
25 urging him to continue in the struggle. It was

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completely counterproductive.



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Q When you said earlier they, you learned that they were having discussions in Washington with Pastora, with some Indian groups, who is "they"?

A Well, one of the to me quite embarrassing things was

that one of Pastora's deputies had been talking to Pastora on the phone, urging him to stay the course, and had even gone to Panama to meet Pastora.

Q Do you know who this deputy was?

A Yes.

Q Who was it?

A Bill Walker, so we were informed.

Q So you were told.

A You know, when you're out there, allegedly trying to carry out a policy and you don't know what's going on and you're not kept informed, particularly a policy of this sensitivity, it's a very disquieting experience.

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1 Q Okay. Tell us what you can recall about the  
2 time that Admiral Poindexter came through with Elliott  
3 Abrams and I believe [REDACTED] visiting various  
4 countries?

5 A That was a meet and greet session. He didn't  
6 just visit us. I think he stopped right down through.  
7 He was in Costa Rica I wouldn't say more than two hours.  
8 It was a meeting in the morning, a kind of getting to  
9 know you meeting.

10 He had just taken over, and I think it was  
11 within a month after he took over he came, maybe earlier  
12 than that. The meeting was held at a hotel near the  
13 airport and was, I'd say, an "attaboy" meeting,  
14 Poindexter saying: You know, I've just taken over; I  
15 wanted to come down to meet all you and tell you, keep up  
16 the good work.

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22 Q Do you recall whether or not any discussions  
23 were held with the Admiral about the secret airstrip?

24 A No.

25 Q Do you recall whether the Admiral said

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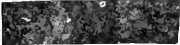


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1 anything about, you know, confirming this idea about  
2 opening up the southern front? I think you told us last  
3 time you recalled he said something about it, how it was  
4 important to get the southern front open?

5 A You know, by then Pastora -- I think Pastora  
6 had left. I can't get the chronology. Certainly what he  
7 was telling us is that we should continue to do whatever  
8 we could to assist with the military front on southern  
9 Nicaragua.

10 Q Did you ever have the impression from any of  
11 your discussions with Castillo that he was freelancing or  
12 off on his own ventures 

13 A Well, as I said earlier, quite the contrary.  
14 I always felt that the bad times that Castillo had gone  
15 through earlier -- and I think he was on probation, as a  
16 matter of fact, with the Agency for most of this period --  
17 - appeared to me to make him super-sensitive to this  
18 issue.

19 No, I did not.

20 Q How could you tell that he was keeping his  
21 superiors informed? Is this just basically from your  
22 conversations with him, what he was telling you?

23 A It's an impression that I got over the whole  
24 period. He and I would talk. He and I and the  
25 Ambassador would talk. My impression was that he was

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1 receiving almost daily continuous, a continuous series of  
2 messages and all, some of which, particularly when they  
3 were oral, he did not -- these were the occasions when he  
4 said, put it in writing, send me an instruction, get it  
5 on the record.

6 No, you know, I did not have the impression at  
7 all that he was freelancing.

8 Q Okay. Now, when the Ambassador left Costa  
9 Rica at the end of 1986, so to speak --

10 A It was January of '87.

11 Q January of '87, okay. Did you all feel at  
12 that point that, as far as his original mission of  
13 opening up the southern front went, that things had been  
14 relatively successful [REDACTED]

15 A Well, looking at them in say October of '86  
16 and comparing that to July of '85, yes, I think clearly  
17 in terms of the number of anti-Sandinista forces [REDACTED]  
18 [REDACTED] I think it  
19 was substantially improved.

20 Success, no, I don't think you could term it a  
21 success. And obviously, when the events of November  
22 broke out, that was the end of it.

23 Q Perhaps "success" is too strong of a word, but  
24 it certainly had improved? The situation had improved?

25 A Yes.

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1           Q     Well, given the fact that the airstrip was to  
2     your knowledge never really used for its intended  
3     purpose, what was -- to what was the improved situation  
4     attributable to?

5           A     More people; that is, anti-Sandinista forces  
6     had grown. I think that the humanitarian aid had helped  
7     in the sense of steady supplies of food and non-lethal  
8     materials. That had certainly helped.

9                     The efforts of the private American groups in  
10    getting lethal supplies in was certainly evident. They  
11    had something to fight with.

12                    Yes, I'd say those three reasons.

13           Q     Did you ever know that Castillo was assisting  
14    the private patriotic groups in getting lethal supplies  
15    into the southern forces?

16           A     No.

17           Q     Did you ever know that Castillo was assisting  
18    in coordinating air drops of any kind for the southern  
19    forces?

20           A     I can't say so of my own knowledge. I don't  
21    find that exceptional because I never talked about  
22    operational details with Castillo, nor did he with me.

23           Q     He never talked with you about those matters?

24           A     (Shakes head negatively.) I knew that they  
25    would occur. Sometimes he would say, you know, that

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1           there was a successful drop, or I understand that the  
2           troops [REDACTED] are out of ammunition [REDACTED]

3 [REDACTED]  
4 [REDACTED]  
5           So I certainly knew there were drops going on,  
6           certainly.

7           Q     Did you ever learn that Castillo had a special  
8           encryption device that had been delivered to him by which  
9           he could communicate with the supply people [REDACTED]

10 [REDACTED]  
11          A     No. I had always assumed that that  
12          communication was through the regular [REDACTED] channel  
13          [REDACTED] that was my  
14          assumption.

15                 This whole issue of the separate communication  
16                 facilities is shunting.

17          Q     And you've never had any contact with Robert Owen  
18          about anything, is that right?

19          A     No, but after we spoke the other day, I might  
20          have met him in -- I'm just not sure whether I ever met  
21          him or not. If I did, it would be one of those meetings  
22          where I was in the area where our two secretaries sat  
23          when he came out with the Ambassador, and the Ambassador  
24          said, you know, this is so-and-so.

25                 I'm not sure that that even happened. But if

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1 I ever saw the man, it would have been no more than that,  
2 a handshake.

3 MR. TRAYLOR: Just a couple of questions.

4 BY MR. TRAYLOR:

5 Q I'd like to go back to the discussion that you  
6 participated in where Tambs briefed Elliott Abrams,  
7 around Christmas, you believe, of late '85 or early '86.  
8 You said this was, you believed, Abrams' first trip to  
9 Costa Rica?

10 A I recall it as his first trip to Costa Rica,  
11 and that's what puzzles me about the dates. I just can't  
12 think of what the dates were that he visited, because he  
13 took office in July and I have a feeling that he was down  
14 there before the end of the year.

15 Q I just wanted to see if you could recall any  
16 more details about that conversation. In your  
17 impression, was Abrams surprised or was this news to him,  
18 or was it your impression he knew about this airstrip?

19 A No, it was my impression -- now, I emphasize,  
20 it was a very brief conversation. It might have been  
21 less than five minutes. They had their bags, they were  
22 ready to go.

23 As I recall it, it was the Ambassador telling  
24 him where the airfield matter stood. I just don't know.  
25 There was no surprise that I recall expressed at all.

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1 Q Did he say anything, Elliott?

2 A I don't recall. I just don't recall.

3 Q Were there other Abrams trips to Costa Rica?

4 A Yes. He was there with Ambassador Carlucci  
5 fairly recently. He was there for the inauguration in  
6 May. I have the impression that he was there then. He  
7 was there two or three times while I was there,  
8 independently of the two occasions I've just mentioned,  
9 always, as I recall it, on multi-stop trips. I don't  
10 think that he ever flew to Costa Rica and flew back, I  
11 don't think so.

12 And the first of those occasions was the one I  
13 recall that the airfield was mentioned very briefly.

14 Q Were there other occasions during these other  
15 trips down there by Abrams where the southern front was  
16 discussed, like the one about the airfield?

17 <sup>there</sup> A No, I can't say that I recall that. Elliott  
18 ~~is contacted when the Ambassador was~~ never ~~there~~ not there.

19 In other words, he never visited there while I was  
20 chargé. And usually when he would come it would be the  
21 Ambassador that would grab him off to go to see the  
22 President or other J.

23 I didn't accompany him on those calls, and he  
24 never stayed very long. These were always very brief  
25 trips, you know, in and out.

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1 No, I can't say that I ever heard that matter  
2 discussed.

3 Q That matter or any other related matter -- I  
4 guess my question is, was it clear to you that Abrams was  
5 involved in the southern front operation?

6 A It was absolutely clear to me, yes. Now, you  
7 say how was it clear, you know --

8 Q Aside from the one conversation?

9 A Well, you know, it was very clear that he was  
10 involved with the conversation with General Winlaub. He  
11 certainly responded very strongly to that. I just, you  
12 know, I have to give you my impressions on that, and I  
13 just had never had the feeling that Elliott was out of  
14 the loop.

15 Did I sit down and talk to him about these  
16 matters? No, I never did, ever.

17 Q Were you acquainted with Oliver North?

18 A I met him once, shortly after my arrival and  
19 the Ambassador's arrival. He visited Costa Rica, I think  
20 for the purposes of talking to some of the UNO people, as  
21 I recall it. And I met him at the Ambassador's house,  
22 9:00, 9:30 in the evening, when I got there from my  
23 house.

24 We went into the family dining room, and as a  
25 matter of fact they were fixing some sandwiches or

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1 something like that, and North was basically killing time  
2 there waiting to go on to an appointment, as I recall,  
3 that was around 11:00 o'clock or something like that. So  
4 I was with him and the Ambassador and Castillo for  
5 approximately an hour.

6 There was no substantive conversation that I  
7 recall.

8 Now, I think he might have visited there  
9 another time on vacation with his family. I just have  
10 the impression that he came down and went up to the  
11 coast, the north coast.

12 Q What was your perception of North's role with  
13 the contras and the southern front operation?

14 A My impression was that he was very  
15 operational, that much of the work-- my impression was  
16 much of the work with the private American groups he was  
17 doing. That was my impression.

18 I don't have the impression, for instance,  
19 whatever arrangements were made, legal arrangements that  
20 bought or purchased the land, with the owners of the land  
21 for the airstrip, and the Panamanian company, I don't  
22 have the impression that, for instance, Elliott was  
23 personally in an operational sense involved with that at  
24 all.

25 I'm quite certain that he knew about it, but

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1 it was a type of thing that I think was managed between  
2 the Agency and North. That was always my impression. It  
3 would be customary, that kind of operational stuff.

4 Q Mr. Tull, are you aware of any third country  
5 solicitations by North or anyone else for the contras?

6 A No.

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MR. TRAYLOR: Thank you. That's all the questions I have.

THE WITNESS: Could I mention one other thing? You asked me earlier about where did the Boland amendment fit into all of this.

BY MR. TRAYLOR: (Resuming)

Q You mean during the first interview?

A That set me to thinking, and I guess my assumption was and is that we were down there carrying out a policy or carrying out policy instructions, and the Boland amendment was certainly a factor, but it was not a factor that I ever felt we had to worry about.

In other words, that was Washington's problem. We were getting marching orders, and I assumed that as part of the evolution of these program ideas that the Boland amendment and how close that was skated to was part of it.

I never had the feeling that that was

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1 something -- that that was a litmus test that we had to  
2 use in Costa Rica. I just never had that feeling.

3 Q I take it that you never received written  
4 instructions or any kind of refinement from Washington  
5 regarding the Boland amendment, what you could or could  
6 not do with respect to the Boland amendment?

7 A Not that I recall.

8 BY MR. SMILJANICH: (Resuming)

9 Q Do the names --

10 A You might check -- you see, the one that was  
11 concerned about that -- and again, it was in connection  
12 with what I heard him say several times about, give it to  
13 me in writing, I don't want it on the phone -- would be  
14 some of Castillo's messages on the subject.

15 I have the feeling that, of the three of us,  
16 that he might have been more sensitive to that than  
17 either the Ambassador or I, certainly than I was [REDACTED]  
18 [REDACTED] I can't  
19 swear to that.

20 I heard him say that frequently enough that  
21 maybe he was concerned about that. I'm guessing.

22 Q Do the names Rafael Chi-Chi Quintero, Richard  
23 Secord, Felix Rodriguez mean anything to you as far as  
24 people you were aware of that were involved at all with  
25 these private patriotic Americans during your tenure?

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1           A    No.

2           Q    After this press conference came up and  
3           President Arias had the press conference called off,  
4           shortly after that did Ambassador Habib visit the country  
5           on another matter and bring that topic up again with the  
6           President?

7           A    You know, I think that Ambassador Habib did  
8           come. I think that the subject came up tangentially

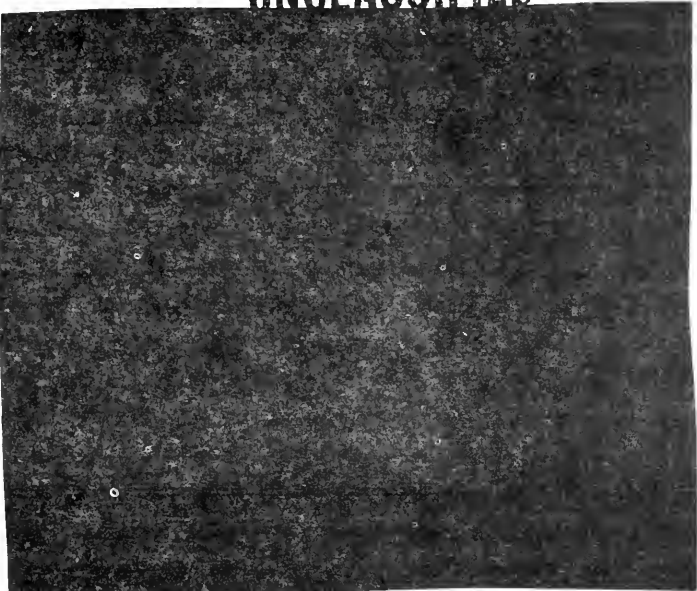
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Q Mr. Tull, one last area I wanted to ask you about. Ambassador Tambs resigned his post as Ambassador in January of this year, 1987. Based on your conversations with him throughout the latter part of 1986, does his resignation have anything to do with the controversies that erupted in November?

A Absolutely not. And as I told you before and I've told him, I still don't understand why he hasn't made that clear, because there's nothing mysterious about it.

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1                   Ambassador Tambs and his family were on home  
2                   leave in August and September of 1986. I had the  
3                   impression, something that his secretary mentioned even  
4                   before he left for home leave, that perhaps he was  
5                   thinking of going back to Arizona State. He was a  
6                   tenured professor at Arizona State. He was on leave and  
7                   had been on leave for four years.

8                   And I knew that they were anxious to get him  
9                   back. I knew that when we served together in Columbia,  
10                  that they were anxious to get him back even then. I  
11                  think he was even listed in the catalogue for 1985.

12                  The day he and Phyllis and family came back,  
13                  as I recall, about the 26th of September, my wife and I  
14                  met them, went over to the house and sat down, and almost  
15                  the first thing he told me he said: Jim, I'm going to be  
16                  leaving in January.

17                  And that was sad news. It was a real shock  
18                  since we had worked well together. And as it happened,  
19                  he said: Well, I was back in Phoenix and talking to the  
20                  President of Arizona State, and he told me that his job,  
21                  his the Ambassador's position, had been vacant for four  
22                  years, that they had never filled it, never hired anyone  
23                  to fill it, and that the time had come when either the  
24                  university had to have him back in a teaching capacity or  
25                  he would have to resign and lose tenure.

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1                   And of course, Ambassador Tambs, with a large  
2 and still growing family, as he laughingly says, he'll be  
3 working while we're all at the Shady Acres Rest Home,  
4 he'll still be working, could not in any way, shape, or  
5 form lose tenure. He is not independently wealthy or  
6 anything like that.

7                   And so as a consequence of that, he told us  
8 that night, my wife and I, that night that he would be  
9 leaving in January. But he said, I'm not going to tell  
10 anyone about it now because as soon as you do that you  
11 become a lame duck, not only in the eyes of the host  
12 government, but also in the eyes of Washington.

13                   And he also said, I know that there are those  
14 in Washington who do not want to see this trip by  
15 President Arias to Washington come off, and if I tell  
16 them I'm leaving my leverage is gone, and they'll find  
17 some way to postpone this thing until a new American  
18 Ambassador arrives.

19                   And he said, I'm not saying anything. And so  
20 we said fine. And he stuck to that, even after the  
21 events of November broke, and it was clear, you know,  
22 everyone was going to make the perfectly logical  
23 assumptions from this.

24                   But nevertheless, not a word to anyone. On the  
25 1st of December, it was a Monday, he sent a telegram to

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1 the director general of foreign service, George Best,  
2 announcing that he would be resigning in January. On  
3 Tuesday the 2nd, we had a regular senior staff meeting.  
4 He told them that he would be leaving.

5 And when he got on the airplane with Oscar  
6 Arias on the 3rd, Wednesday, he told the President. And  
7 that was not well received in Washington. We had talked  
8 about this through the fall and I told him, you know,  
9 Ambassador, you ought to think of at least tipping off  
10 Elliott or somebody.

11 And he said, no, he would just keep that to  
12 himself, and he did. And of course, everybody respected  
13 his confidence.

14 And it's unfortunate, I think, in some fashion  
15 Elliott found out about it before he told him, and you  
16 know that never makes for good relationships. It was  
17 just unfortunate, but he was absolutely adamant to do it  
18 that way.

19 So it had absolutely nothing to do with it.  
20 And when Senator Dodd was down right before I left, we  
21 were sitting down talking to some of the staffers and  
22 they brought up this, a Ms. O'Connell. And I said, you  
23 know, there's no mystery, and I told them the same story.  
24 And I said, you can believe it if you want to, it's up to  
25 you, but I know what the facts were, and those were the

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1 facts.

2 And I just simply don't understand why he  
3 hasn't made that clear. But I have no problem doing so  
4 for him.

5 Q [REDACTED] DCI Bill Casey [REDACTED] at some  
6 point in 1986, did you participate in any meeting with  
7 him?

8 A No. [REDACTED]

9 [REDACTED] I met  
10 [REDACTED]  
11 him, but we had no conversations, nor was I in a  
12 conversation where matters of substance were discussed.  
13 I did meet him, that's all.

14 MR. SMILJANICH: Okay, that's all I have.

15 (Whereupon, at 3:38 p.m., the interview was  
16 adjourned.)

17 \_\_\_\_\_  
18 Signature of the Witness  
19 Subscribed and sworn to before me this \_\_\_\_\_ day  
20 of \_\_\_\_\_, 1987.

21 \_\_\_\_\_  
22 Notary Public

23 My Commission Expires: \_\_\_\_\_

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TESTIMONY OF GENERAL JOHN W. VESSEY, JR. (USA, Ret.)

Friday, April 17, 1987

United States Senate  
Committee on Secret Military  
Assistance to Iran and the  
Nicaraguan Opposition  
Washington, D. C.

Deposition of GENERAL JOHN W. VESSEY, JR. (USA, Ret.), called as a witness by counsel for the Select Committee, at the offices of the Select Committee, Room SH-901, Hart Senate Office Building, Washington, D. C., commencing at 7:25 a.m., the witness having been duly sworn by MICHAL ANN SCHAFER, a Notary Public in and for the District of Columbia, and the testimony being taken down by Stenomask by MICHAL ANN SCHAFER and transcribed under her direction.

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Partially Declassified/Released on Jan 4 1988  
under provisions of E.O. 12356  
by D. Sirks, National Security Council

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## APPEARANCES:

On behalf of the Senate Select Committee on Secret  
Military Assistance to Iran and the Nicaraguan Opposition:

ARTHUR LIMAN, ESQ.

MARK BELNICK, ESQ.

JOHN D. SAXON, ESQ.

CLARENCE H. ALBRIGHT, ESQ.

VICTORIA NOURSE, ESQ.

On behalf of the House Select Committee:

ROGER KREUZER

JAMES ROSENTHAL

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## P R O C E E D I N G S

Whereupon,

GENERAL JOHN W. VESSEY, JR. (USA, Ret.), called as a witness by counsel for the Senate Select Committee, having been duly sworn by the Notary Public, was examined and testified as follows:

## EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

BY MR. BELNICK:

Q Good morning. Just for the record, would you state your name, General?

A John W. Vessey, sometimes John W. Vessey, Jr.

Q General Vessey, you were Chairman of the Joint Chiefs of Staff?

A Yes.

Q During what period of time?

A From 18 June 1982 until 30 September 1985.

Q And you retired from the military at that time?

A Right.

Q General, I'd like to show you a document that I'll ask the Reporter to mark as Vessey Exhibit 1.

(The document referred to was marked Vessey Exhibit Number 1 for identification.)

For the record, this document is dated May 1, 1985 and it's labeled as a memorandum for General John W. Vessey,

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Jr. from Oliver L. North, Subject, FDN Military Operations. General, I'd like you to take a moment to look through the document, and my question will be if you recall receiving this memorandum on or about May 1, 1985.

A No. I can tell you I do not, and in fact do not recall ever receiving any memorandum from Oliver North.

Q Have you talked to people in your office who were associated with you during your chairmanship of the Joint Chiefs about whether they have any recollection of this memorandum?

A Yeah. I heard about this after the Tower Commission report came out and I talked to my Executive Assistant, Major General George Joulwan, and he has no recollection. The only other one who might know about it would be Admiral Art Moreau, who died in December, unfortunately, who was my assistant.

It's possible that if it ever did arrive over there there's one other person who might know. That is, if something like this arrived, it would be either me. Joulwan, Moreau or Art Moreau's Executive Assistant, who was a Navy Commander named Gail Dady.

MR. LIMAN: How does he spell his name?

THE WITNESS: It's a she -- G-a-i-l, D-a-d-y. And I don't have her address at the moment, but she is at some air station on the east coast.

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BY MR. BELNICK: (Resuming)

Q What was her position in 1985?

A She was Admiral Moreau's Executive Assistant.

Q There is reference in this memorandum, if you look on page three, to current donors who were making contributions to the contras in 1985. As of May 1985 were you aware of contributions from any foreign governments to the Nicaraguan resistance?

A I can't tell you whether it was May of '85 or when it was. My general recollection is that it might have been later than May of 1985, but perhaps it was earlier, [REDACTED] who was one day visiting me about something else, [REDACTED] and I suspect it was probably the summer before.

Q Summer of 1984?

A Whenever the restriction was in.

MR. LIMAN: When the funding ran out; is that what you identified?

THE WITNESS: Pardon?

MR. LIMAN: Was it when the funding by the United States Government ended?

THE WITNESS: After the funding by the United States Government ended, after the Congressional restriction was on. It was at some time after that, and I frankly can't

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tell you what the day was. I could probably look back and tell you when [REDACTED] came to visit me.

BY MR. BELNICK: (Resuming)

Q Do you have a diary in which you record those sorts of appointments?

A No. But I've got some little cards that I kept with my day's activity, and it may or may not include [REDACTED] visit.

Q You still have those cards?

A I think I have them.

Q If you could take a look for that date, we would appreciate it, and if you'd advise us.

MR. LIMAN: How often did [REDACTED] visit you?

THE WITNESS: Oh, I'd say maybe four or five time while I was Chairman.

MR. LIMAN: And do you identify this as occurring before [REDACTED]?

THE WITNESS: I can't. It was a non-important event from my point of view. But, at any rate, [REDACTED]

[REDACTED]. But that number could be wrong.

I reported it to Secretary Weinberger. His reaction was about the same as mine, sort of surprise first

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that [REDACTED] would do it and, secondly, that he would tell either one of us. And that was the end of it.

MR. LIMAN: Could it have been [REDACTED]

THE WITNESS: No.

MR. LIMAN: Did he tell you whom he dealt with to [REDACTED]

THE WITNESS: No.

MR. LIMAN: He didn't tell you that it came up in a conversation between him and Mr. McFarlane?

THE WITNESS: The only thing he told me was that [REDACTED] and he said that he believed that it was important because the United States had supported these people, that it was important that they succeed, and he didn't want to see another United States failure. And that was --

MR. LIMAN: Sorry, Mark.

BY MR. BELNICK: (Resuming)

Q Was anyone with you when [REDACTED]

A No.

Q Did you have any further conversations with [REDACTED] or anyone else about [REDACTED]?

A No.

Q [REDACTED]

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A No.

Q Did he tell you which official or officials of the United States Government, if any, he had discussed it with?

A No. He made no reference to any officials of the United States Government.

Q Did Secretary Weinberger get back to you with any further comments about [REDACTED] after you reported it to you?

A I think, frankly, that Secretary Weinberger forgave that I told him.

Q Why do you think that?

A Because it just never came up again.

Q Mr. McFarlane has testified to the Tower Commission that he was informed by you that [REDACTED]

[REDACTED] Did you see that testimony recorded in the Tower Commission?

A I saw that.

Q Do you recall telling Mr. McFarlane that?

A I have no recollection of any conversations with McFarlane, at least I had none, and since that time I have wracked my mind trying to think of a conversation with McFarlane. And it seems to me that at one time we came out of a National Security Council or National Security Planning Group meeting in the NSC wing of the White House, and that

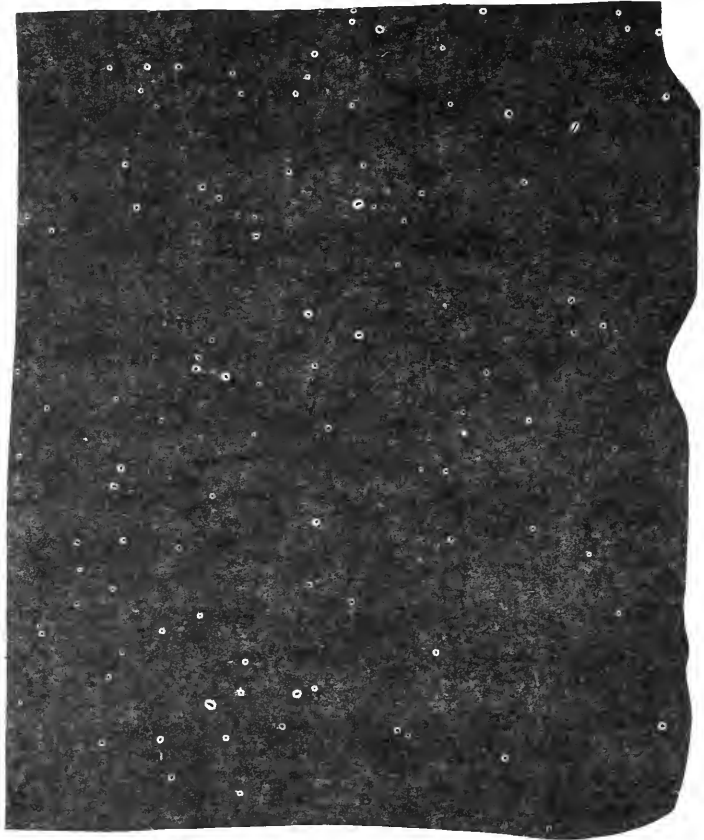
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some conversation with McFarlane took place [REDACTED]

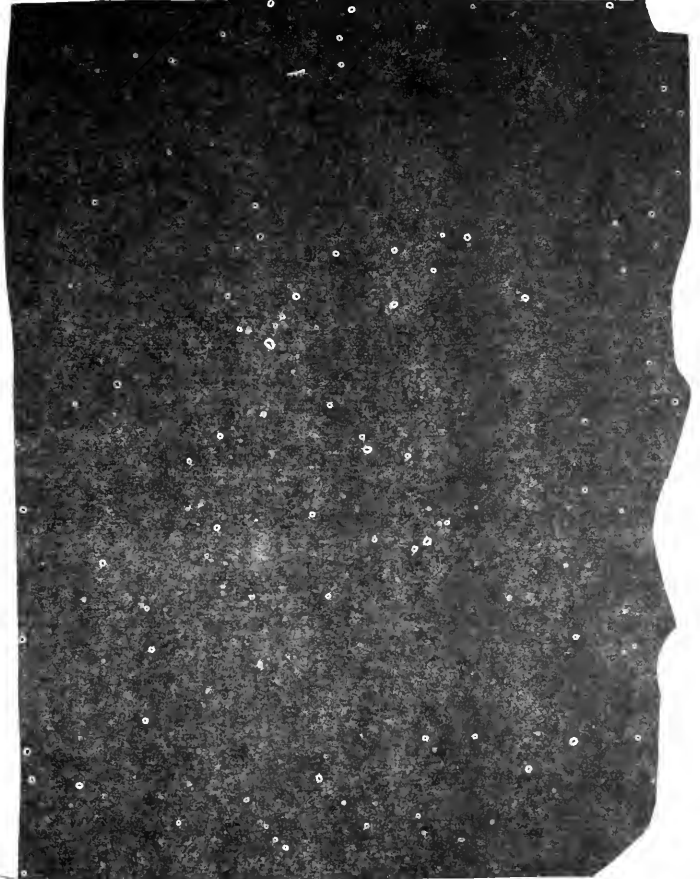
[REDACTED] But I don't recall the substance of it or anything other than it being sort of a casual thing as we went out.



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Q Do you know who John Singlaub is?

A I know John Singlaub very well.

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Q Have you had occasion to discuss with him at any time his efforts in raising funds for the contras?

A I never discussed his efforts in raising funds for the contras. John Singlaub saw me in probably the winter of '84, I would say -- that is, the '84-'85 winter. He came to Washington and wanted to see me, and I met him and had breakfast with him.

And he told me that he was helping the contras.

Q Did he tell you how he was helping the contras?

A He told me he was trying to help them with organization, trying to find retired people who might give them some operational and logistical advice.

Q Anything else?

A Not that I remember.

Q Did he tell you that he had any involvement in fundraising?

A I don't recall that he told me he had any involvement in fundraising. He said people were contributing money. It's just a thing that was not high on my list of things to do.

Q What did you say to him when he told you about his efforts?

A I don't recall that I said anything to him, except okay.

Q Well, did he ask you for any advice?

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A He asked me if I knew of any guy who was retired who might be a good logistician. He said the contras are getting their clocks cleaned by arms merchants and he said he was looking for somebody who might assist them in organization and that sort of thing.

Q What did you understand him to mean by that?

A That they were getting fleeced.

Q Ripped off?

A Ripped off.

Q Did he mention any specific arms merchants who he thought were ripping off the contras?

A No, he didn't.

Q Did he mention the name of Secord at the time?

A No.

Q Did he mention Thomas Klines?

A No.

Q Did he mention Raphael Quintero?

A No.

Q Any names at all?

A No.

MR. LIMAN: Hakim?

THE WITNESS: No.

BY MR. BELNICK: (Resuming)

Q Did you know somebody to recommend to him?

A No, I didn't.

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Q Did you recommend somebody he could ask for a recommendation?

A I told him that I would ask the Army if they knew of anybody, and I don't remember whether I ever did it or not.

Q Whether you ever asked the Army?

A Right. It seems to me that I told probably Max Thurman, who was the Vice Chief of Staff, and asked him if he would know of anybody, but I really don't recall whether I did it or not.

Q Do you have any recollection, General, of getting a recommendation back from General Thurman or someone else?

A No, none.

Q Do you know Bill Masterpol?

A No.

Q I imagine you were concerned when General Singlaub told you that the contras were getting fleeced by arms merchants.

A Yes.

Q Did you ask him what he knew about that specifically?

A Well, he gave me some examples at the time -- I've forgotten what they were -- about the contras paying high prices for things that ought to cost a small amount of money and the delays in getting them there.

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Q Bad equipment?

A I don't specifically recall that that -- it could have been.

Q Did you report Singlaub's allegation about the ripoff to anyone at the Pentagon?

A No.

Q Or in the White House?

A No.

Q Did you make any record of the conversation with Singlaub -- memo, notes?

A No.

Q Where did you see him on that occasion, do you remember, General?

A Yeah, my house for breakfast.

Q Did you see him again after that?

A I never had another meeting with him, but I've seen Jack Singlaub from time to time, perhaps at Association of U.S. Army meetings. He's in and out of town.

Q Let me broaden it. Have you had any discussions with General Singlaub since the one in the winter '84-'85 about the contras, anything to do with the contras?

A Not that I recall.

Q And no discussions at any time in which he told you more specifics about the arms merchant ripoff?

A I don't recall any.

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Q Do you recall him telling you about his efforts a any time in '84 or '85, '86, about fundraising [REDACTED]

A He said -- as a matter of fact, I think it was at this particular meeting --

Q The breakfast?

A This particular meeting. Now that you mention that, it seems to me that he said that it would be nice if [REDACTED] knew that he was helping the contras in the interest of the United States or something like that.

Q Did he ask you to help get that message to [REDACTED]

A I can't tell you whether he asked me. It was sort of by inference, I think. You know, I think Jack understood that I was in a position in the United States Government and we were by law prohibited from helping the contras.

Q Did you indicate to him that you could or would make any communication or message to [REDACTED] about his efforts?

A No, none.

Q General, you mentioned the cards before that you have that show your appointments. Do you know whether you would have a card that would indicate the date of this meeting with General Singlaub?

A I might. I don't know.

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Q Again, if you would be kind enough to take a look and let us know whether you can fix the date of the meeting with General Singlaub more precisely, that would be most appreciated.

A Okay.

Q I mentioned General Secord before. Do you know what General Secord is?

A Yes.

Q Did you ever hear, apart from recently, since November 1986 when there have been all these press stories, but prior to November 1986 had you heard that General Secord was involved in any way in assisting or purporting to assist the contras?

A Everything I know about Secord and the contras I've gotten from the Washington Post or the Minneapolis Star Tribune.

Q In 1984 you were Chairman of the Joint Chiefs and you recall that it was in that year that Congress shut off at least temporarily American aid to the contras. What planning were you aware of in the government for keeping the contras viable or seeing that the contras remained alive during the period that the United States Government was banning any funding?

A I was aware of none. Supporting the contras was not our business, was not JCS business or Defense Department

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business. The CIA was doing that. In fact, for us it poses some additional problems in figuring out what was going on in Central America, because up to that time we got information about the operation of the contras from the CIA. And, of course, we were concerned with the overall security in Central America and had to find new ways to find out what was going on between the contras and the Nicaraguans and in fact had to focus some intelligence in that direction to find out what the contras were doing.

Q You received intelligence reports, though, from DIA as well concerning the contras, not only CIA?

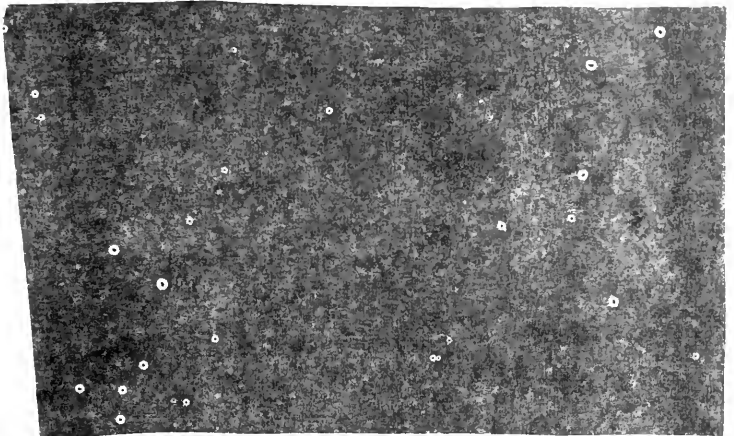
A Oh, sure.

Q Did that reporting by DIA continue throughout the period that you were Chairman of the Joint Chiefs?

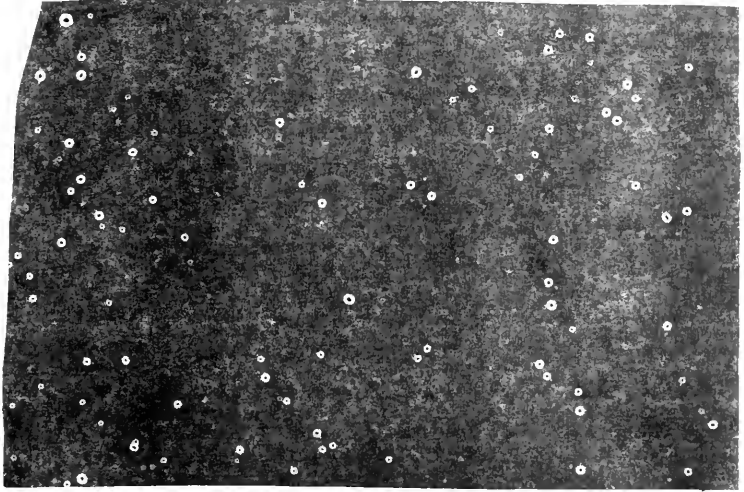


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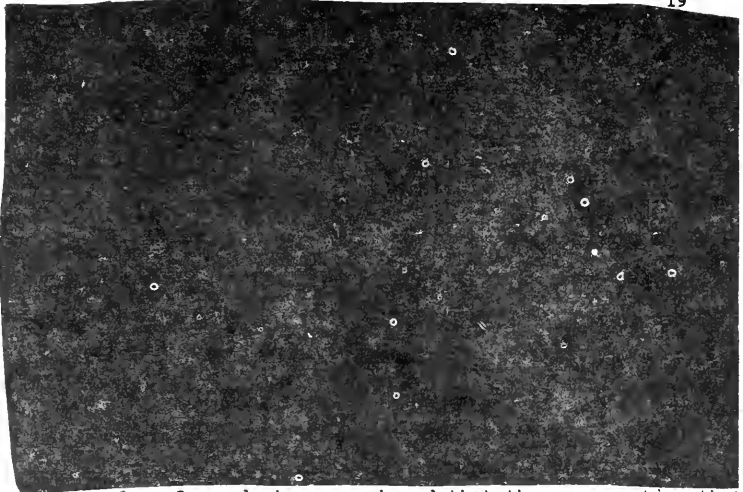
Q Now the funding restriction went into effect in  
October 1984. Would that have been the time that you --



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Q General, have you heard that there was a time that the CIA asked the DIA to keep its nose out of the contra matters and not to be involved, for example, in reporting anything to do with Nicaragua?

A I don't recall it.

Q Never heard anything like that?

A No. And I must say that my technical contacts with the CIA were pretty slim.

Q Would you mark this next document as Vessey Exhibit 2?

(The document referred to was marked Vessey Exhibit Number : for identification.)

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For the record, Vessey Exhibit 2 is a memorandum dated March 11, 1985, addressed to a number of persons, including General Vessey. It's from Robert C. McFarlane. The subject is assisting Guatemalan progress toward democracy. The memo has attached to it in the form we received it from the NSC certain documents that we have numbered N7188 through N7199.

General, if you take a look at the exhibit my question will be whether you recall receiving at least the memo which is the first page of the exhibit and, if you do, whether you recall receiving it with the attachments.

A Yeah, I have a vague recollection of seeing the first page, but I'm quite confident that I didn't receive the attachments.

Q Okay. Then if I could ask you to please look at the first page, this appears to be a memo from Mr. McFarlane urging an increase in assistance to Guatemala in order to assist their progress towards democracy based on conversations he had in Guatemala in January. Do you see that in there?

A Right.

Q Do you recall any discussions about this McFarlane proposal after you received this?

A Not really, but that doesn't mean there couldn't have been. This is the sort of thing that, you know, it's

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\$300,000 in IMET and \$10 million in security assistance. It's pretty much down below the noise level of things that worried a lot about.

Q It sounds good to me, though.

A It sounds good to me right now.

(Laughter.)

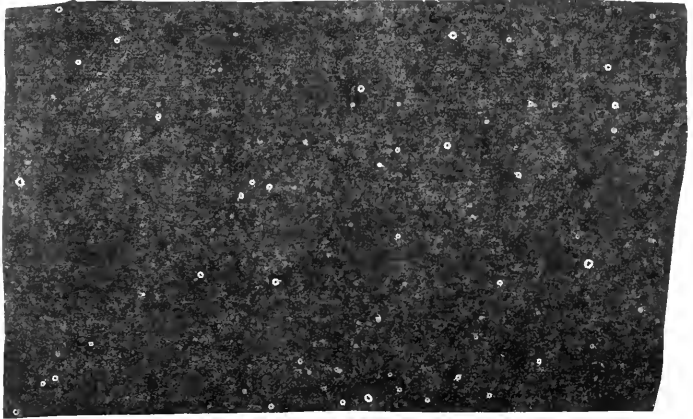
Q My mortgage is due today, so it sounds better.

A I just paid my taxes.

Q You win.

(Laughter.)

A It's the sort of thing that we would, you know, give to the security assistance people and tell them to get on with it. And our connections with Guatemala were, you know, almost zero then.



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Q General, let me ask you a few questions about Oliver North. You knew him while you were Chairman of the Joint Chiefs?

A Vaguely. That is, if you put me in a room I probably could have told you which one was Oliver North.

Q We went through the first memorandum, Exhibit 1, which you don't recall ever having received. Do you recall ever getting memos from Oliver North of any kind?

A I don't think so. I don't think I ever got one, but it doesn't mean that Oliver North might not have addressed a memo to me.

Q I understand. Do you know what his position was at the NSC?

A Well, I knew that he was -- that he had Central America as one of his areas of concern.

Q And what did you understand his role to be on the Central American account?

A That he was representing the NSC staff in the interagency deliberations that had to do with Central America. That was my knowledge about North.

Q Did you hear whether he had any involvement in facilitating supplies or other forms of assistance to the contras, whether money, humanitarian aid, any sort?

A No, except that if that were to be done and the

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NSC staff knew anything about it, it would have certainly been Oliver North who knew that.

Q But did you know whether that was --

A About the details of what he did, I don't know. And North was vigorously involved in the Central American activities. I know that he made trips to Central America every once in a while. I'd hear that North was in Central America.

Q Did you get reports on those trips, on his activities?

A I don't recall any reports I got about Oliver North's specific activities. I'm sure that I was told by the CINCSOUTH that North was there or, you know, he routinely told me when Congressmen were there or special visitors were there.

MR. LIMAN: Did you understand that the NSC had taken over some of the CIA's role once the funding restrictions came into effect with respect to Central America?

THE WITNESS: No.

MR. LIMAN: How often would you meet with the National Security Advisor? Was it a weekly meeting?

THE WITNESS: We met whenever a meeting of the National Security Council or the National Security Planning Group took place.

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MR. LIMAN: Was there any regularly scheduled meeting with the President of the United States?

THE WITNESS: Well, for me there were two sets of meetings with the President -- those previously mentioned, the National Security Council meetings or National Security Planning Group meetings, and they weren't regularly scheduled but they occurred frequently, sometimes three times a week; there may have been times when there were more, but perhaps one could expect one or two a week, but there were weeks without any.

Then, the other meetings were the quarterly meetings with the Chairman of the Joint Chiefs of Staff and the President.

BY MR. BELNICK: (Resuming)

Q General, do you recall any NSC or NSPG meeting on the issue of Central America during 1985?

A Oh, I'm sure we had meetings in 1985, but we didn't have as many meetings as we should have had, it seemed to me. The Chiefs raised concerns with the Secretary that we were not meeting on Central America. In earlier years we had met more often on Central America.

Q And what was the Secretary's response?

A Well, I think the Secretary probably agreed with me.

Q Do you know whether the Secretary conveyed the

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Chiefs' concern to the President?

A I don't know that he did, but I hoped that he did.

Q Did you hear any feedback from him?

A I probably did, but I don't recall specifically what it was because there were other things that we were not meeting on, too, in 1985.

Q But, in any event, the meetings on Central America did not become any more frequent in response to the concerns you voiced?

A They did not.

Q General, the quarterly meetings that you had with the President, was that you alone with the President?

A No. It was the Joint Chiefs, Secretary of Defense, and then whomever the President brought to the meeting, and almost always the National Security Advisor -- in fact, always, I would say, the National Security Advisor. And usually the Chief of Staff.

Q Those meetings were held at the end of the calendar quarter?

A No, they were held when the President said they'd be held.

Q That sounds familiar. Do you recall discussion of how the contras were doing at any of those quarterly meetings in 1985 before you left?

A I don't recall that that was a subject of those

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meetings.

Q General, you said that you received reports from CINCSOUTH about North's visits. Who was CINCSOUTH at the time?

A There were three during my time as Chairman - Wallace Nutting, and then Paul Gorman, General Paul Gorman and the present CINCSOUTH, Jack Galvin.

Q Do you know Colonel Steele?

A I know Colonel Steele.

Q And you were familiar with his mission in El Salvador?

A Right.

Q Were you aware of any activities that Colonel Steele had or any responsibilities he had vis-a-vis the contras in 1984-1985?

A So far as I know, he had none.

Q Did you ever receive reports that Colonel Steele was involved in any way in facilitating contra resupply?

A No.

Q So as far as you knew before you left the Joint Chiefs Colonel Steele had no involvement in assisting the contras; is that correct?

A Correct.


Q Did you receive reports from Colonel Steele at all about any North activities in Central America?

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A I received no -- you know, Steele is a guy -- I wouldn't receive reports from Steele. I saw Steele during my visits to El Salvador. Steele's report would have gone to the Director of DIA.

Q Do you know 

A No. What country is he from? That doesn't ring well.

Q That doesn't ring a bell. Let me show you this next document, which has been marked as Vessey Exhibit 3.

(The document referred to was marked Vessey Exhibit Number for identification.)

For the record, it's a memo dated January 3, 1985 from Secretary Weinberger to the President's National Security Advisor, showing a copy to the Chairman of the Joint Chiefs of Staff.

General, have you seen that document before?

A I'm sure I have.

Q Do you recall whether there was an NSPG meeting scheduled in early 1985, as the Secretary recommended, to work out a new policy towards Nicaragua?

A I cannot tell you whether we had one. This was -- you know, this goes back to what I told you earlier in trying to get that sort of thing glued together.

Q Do you recall that there was a draft? I'm sorry,

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General. Did you have something else?

A I was just going to say to the best of my recollection I think I urged the Secretary to send this memorandum or a memorandum like that.

Q Do you recall that there was a draft NSDD on Central America prepared at the beginning of 1985?

A You know, we had draft NSDDs. I'm sure there probably was.

Q But you don't recall the fate of that NSDD?

A I don't recall it.

Q General, let me turn to another subject for a moment -- the Iran arms transactions. Did you have any information at any time while you were Chairman of the Joint Chiefs of Staff of American involvement with arms shipments or sales to Iran?

A No.

Q Had you heard that we were approving Israeli shipments of arms to Iran?

A No.

Q Facilitating transfers from any third country to Iran?

A No. As a matter of fact, when I went to Israel I urged the Israelis not to send arms to Iran.

Q When was that, sir?

A It would have been '84, I guess.

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Q And who did you meet with in Israel at that time?

A I met with General Levy, the chief of the general staff, with what's his name, the guy that was the Defense Minister who had previously been ambassador here.

Q Not Rabin?

A No.

Q I know who you mean.

A He was ambassador here and went back to become Defense Minister. And, of course, I met with --

Q Moshe Arens?

A Moshe Arens, right. I'm not sure that I raised it with Arens, but I certainly raised it with Levy.

Q General, have you ever heard of something called

[REDACTED] ?

A No. I don't recall having heard of it.

Q Are you familiar with a covert program involving

[REDACTED] ?

A No, I'm not.

[REDACTED]

Q

A Right.

Q

[REDACTED] ?

A I don't know.

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Q When you went to Israel in 1984 [REDACTED]

[REDACTED] Were they asking your opinion on it? Were they selling at the time, to your knowledge?

A No, no. It was rumors or reports, I suspect [REDACTED]

Q Did General Levy or Minister Arens, if you spoke with him, respond [REDACTED]?

A They acknowledged the message. Levy acknowledged the message.

Q When is the first time you heard about our involvement in sales or transfers of weapons to Iran?

A The first knowledge I had of transfer of weapons to Iran came out in the newspapers, whenever it was, November or December. The Secretary of Defense, I believe, told me -- I met with the Secretary of Defense each day and we exchanged information or, more importantly, I gave him information about what was going on in the armed forces and from time to time he gave me information and direction.

It seems to me that in the summer of 1985 the Secretary almost -- he was in a state of incredulity and said would you believe that somebody is proposing that we

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have some contacts with the Iranians or something like that. But I don't believe the idea of arms was mentioned. But it was sort of a passing thing.

And the Secretary -- it was kind of one of those nutty idea that has been proposed by somebody that will have no opportunity or no chance of succeeding.

Q Did he mention who was proposing it?

A No. It clearly came from a meeting at the White House.

Q Apart from that you recall no other references to the Iran matter and didn't know anything until you read it in the newspapers?

A Right.

Q General, have you ever heard of an operation called [REDACTED] YELLOW FRUIT?

A I can't tell you. You know, I've looked at military names for operations for 46 years and I don't have much recollection of which one is which.

Q Do you recall, though, an operation that was either a [REDACTED]

A I do recall the Army setting up an operation to [REDACTED] which was outside the regular procurement system.

Q Do you recall when that was established?

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A After Desert One.

Q Was General Vaught involved in that program?

A Vaught may well have been involved in that.

Vaught was at that time, it seems to me, Director of Operations on the Army Staff.

Q But that's the extent of your recollection about an operation like that?

A Well, I recall that we did procure [REDACTED] and we converted some [REDACTED] to special sorts of ships.

Q Do you recall at all an operation in which it was proposed that weapons be sold [REDACTED]

A I not only don't recall it, but I'm sure I would have recalled it.

Q If there was?

A If there was.

Q General, was it your practice at all to make notes or memos of meetings that you attended as Chairman of the Joint Chiefs?

A From time to time, if I attended an important meeting when some of the Joint Chiefs were out of town, I might have made a memorandum and circulated it to them. Otherwise I usually got them together and told them what it was.

Q And any such memos would be at the Pentagon?

A Any such memos would be in the records at the


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Pentagon. Memos I made are over there.

Q General, I have nothing else right now.

MR. ALBRIGHT: If I may, just one.



And I can't tell you what his name is, but I'm sure I met him.

BY MR. BELNICK: (Resuming)

Q General, one final question. As I understand it no one ever asked you to solicit any funds for the contras from any government or any private party?

A No.

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Q Or to appear at any fundraising dinner or event run by private benefactors?

A No.

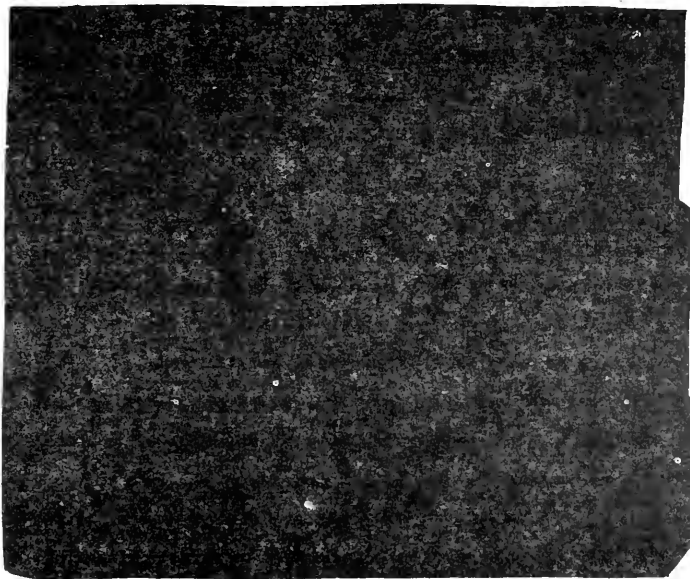
Q And you were never involved in any of that kind of activity?

A No.

MR. BELNICK: My colleagues on the House, do you have any questions for the General?

EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

BY MR. KREUZER:

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Pages 35-36

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37



Q Did we have any U.S. Government-sponsored training programs for the contras?

A I can't tell you what we had for the contras. I wasn't my bailiwick. I'm sure at the times when the CIA was supporting it they may well have provided some training, but I can't tell you of my own knowledge.

Q What was your relationship with the CIA? Was there an opposite number who kept you informed and who would discuss things with you? If they said hey, we're about to get into some territory that normally is in your bailiwick would they coordinate? Was there anybody to talk with?

A What the CIA was doing in Central America is, you know -- my main mission was to make sure that we weren't attacked by the Soviets by nuclear weapons, and that would have been coordinated through CINCSOUTH, I would suspect.

MR. LIMAN: I think what he's asking is were there regular meetings that you had with the Director?

THE WITNESS: Well, I saw the Director at these

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other meetings, at the NSC and NSPG meetings. I tried to set up a series of meetings with John McMahon, and we agreed to set up a series of meetings, not on Central America but on defense, CIA, and we met a couple of times.

MR. LIMAN: But you didn't have a weekly meeting with the CIA?

THE WITNESS: No.

MR. LIMAN: That's what I think was being asked.

BY MR. KREUZER: (Resuming)

Q He didn't discuss, nobody discussed any of this with you from CIA?

A Well, you know, that would be inaccurate to say because I met with the Chairman at the NSPG meetings. My deputy met in the interagency meetings that had to do with Central America, and he would have been more the representative that dealt with -- he saw John McMahon probably a couple of times a week, but I did not. And to say that we didn't discuss Central America, I'm sure that every time John McMahon and I did meet -- and I don't recall; I think he came to my place twice and I to his once. I'm sure that Central America was discussed.

BY MR. BELNICK: (Resuming)

Q Just to wrap it up with one point, when you spoke with [REDACTED] whenever that was -- and we're going to get the date from you -- do you remember whether he asked

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for any quid pro quo or said that he had asked for a quid pro quo?

A No. I was surprised that he told me.

Q Had you ever heard, General, that there was any understanding with the [REDACTED] government that [REDACTED] would be provided in connection with assistance [REDACTED] to various causes, [REDACTED]

A No. In fact, [REDACTED] that decision, I don't know what its relation [REDACTED] but it was made long before my time, far before my time.

MR. SAXON: General, I've got one question for you sir. During the period when General Gorman was the CINCSOUTH, and roughly this would have been in the February '85 time frame, do you recall any discussions with him or seeing any paper flow from him in which he talked about the use of Felix Rodriguez in Central America, particularly providing assistance to the Salvadorans?

THE WITNESS: I don't recall Felix Rodriguez, even the name, being mentioned.

MR. BELNICK: General, I want to thank you on behalf of the Senate and House Committees for coming in today at no small inconvenience and for your cooperation. We all respect you for your service to the nation and it's privilege for all of us to meet you.

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THE WITNESS: Thank you.

(Whereupon, at 8:25 a.m., the taking of the  
instant deposition ceased.)

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N 10598

May 1, 1985

~~TOP SECRET~~SENSITIVE

MEMORANDUM FOR GENERAL JOHN W. VESSEY, JR.  
The Chairman, Joint Chiefs of Staff

FROM: OLIVER L. NORTH

SUBJECT: FDN Military Operations

Attached at Tab A is a summary analysis of how the FDN has expended funds which have been made available since USG funding expired in May 1984. From July 1984 through February 1985, the FDN received \$1M per month for a total of \$8M. From February 22 to April 9, 1985, an additional \$16.5M has been received for a grand total of \$24.5M. Of this, \$17,145,594 has been expended for arms, munitions, combat operations, and support activities. No additional funds have been received by the FDN since April 9 even though there is a commitment for a total of \$25M. The following information is noteworthy:

- most expenditures have been for purchases of arms, ammunition, and other ordnance items;
- the \$2.5M indicated for upkeep of base camps on the [redacted] borders includes costs of approximately \$350K per month (an expense which will increase as the number of recruits continues to grow) and \$50K for the operation conducted in Managua against the ammunition depot at the EPS military headquarters;
- the funding has allowed the growth of the resistance from 9,500 personnel in June 1984 to over 16,000 today--all with arms;
- when the May 1985 sealoft arrives (\$5M has already been deposited for this delivery), an additional 6,000 fighters can be equipped and fielded after a 3 week training period;
- the relocation of base camps along [redacted] border has been ordered for mid to late April 1985 in order to disperse the target for a Sandinista attack (cost for this relocation have not yet been fully quantified);
- the acquisition of two small transport aircraft at the cost of \$186K is prudent given the increased patrolling activity by the EPS along [redacted] border, thus complicating trail-borne resupply for columns operating deep inside Nicaragua.

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Declassify: OADR

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Partially Declassified/Released on 5 May 1987  
under provisions of E.O. 12356  
by 3. Regier, National Security Council

VESSEY  
EXHIBIT  
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SENSITIVESummary of Operations to Date

The FDN has grown nearly twofold since the cut-off of USG funding. In this period, they have reoriented from conventional to guerrilla warfare tactics. Despite the lack of any internal staff organization (G-1, G-2, G-3, G-4) when the USG withdrew, the FDN has responded well to guidance on how to build a staff. Although there was a basic lack of familiarity with how to conduct guerrilla-type operations, since July, all FDN commanders have been schooled in these techniques and all new recruits are now initiated in guerrilla warfare tactics before being committed to combat. In short, the FDN has well used the funds provided and has become an effective guerrilla army in less than a year. The listing of combat operations at Tab B (confirmed by signals intelligence) is indicative of what the FDN has been able to accomplish with funds already made available. It is important to note that although funds started to flow in July, purchases made possible by this funding did not arrive in FDN hands until October 1984.

Future Operations

Plans call for remaining resources on hand (\$7,354,000) to be used as follows:

- increasing the force to a total of 25,000 by mid-Summer;
- a major special operations attack against Sandino airport with the purpose of destroying the MI-24 helicopters and the Sandinista Air Force maintenance capability;
- a major ground operation against the mines complex in the vicinity of Siuna, Bonanza, and La Rosita (Nicaragua)--the purpose of the operation is to secure the principal lines of communication in and out of Puerto Cabezas; and
- the opening of a southern front along the [redacted] border which will distract EPS units currently committed to the northern front.

It is apparent that the \$7M remaining on hand will be insufficient to allow the resistance to advance beyond these limited objectives, unless there is a commitment for additional funds. The \$14M which the USG may be able to provide will help to defray base camp, training, and support expenses but will not significantly affect combat operations until several months after Congressional approval due to lead-time requirements. Efforts

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should, therefore, be made to have the current donors deliver the remainder of their \$25M pledge (\$8.5M) and to seek an additional \$15-20M which will allow the force to grow to 35-40,000. If a commitment for these funds is made between now and June 1985, supplies could be ordered in July, allowing the force to reach these levels by the end of October 1985.

Recommendation










That the current donors be approached to provide the remainder of their \$25M pledge and an additional \$15-20M between now and June 1, 1985.

Attachments

- Tab A - Summary Analysis of FDN Expenditures
- Tab B - Summary of Combat Operations: Oct 1984-Mar 1985

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**UNCLASSIFIED**N 10601  
As of April 9, 1985FDN Expenditures and Outlays  
July 1984 through February 1985

<u>Quantity</u>	<u>Item</u>	<u>Cost</u>
<u>Independent Acquisition</u>		
	G-3 rifles Magazines Rounds 7.62 x 51 Rounds 7.62 x 51 Hand grenades	
<u>Airlift #1 - February 1985</u>		
	81mm grenades 60mm grenades 50 cal API Rounds 7.62 x 39 Rounds 7.62 x 51 Freight, Demurrage, Ins., etc.	
<u>Airlift #2 - March 1985</u>		
750,000 1,000 8,910 60 1,472 Kgs	Rounds 7.62 x 39 RPG-7 grenades Hand grenades 60mm mortars C-4 Fuses and detonators G-3 rifles G-3 magazines Cleaning kits 60mm grenades 50 cal links Freight, Demurrage, Ins., etc.	\$ 210,000 265,000 84,645 96,000 47,104
		
<u>Sealift #1 - April Arrival</u>		
	RPG-7 rockets Rounds 7.62 x 39 Rounds 7.62 x 51 Belts for 7.62 x 39 SA-7 launchers SA-7 rockets M-79 grenades Freight, Ins., and other exp	\$ 
	M-79 grenades	



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TAB A


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FDN Expenditures and Outlays <sup>2</sup>  
 July 1984 through February 1985 (Cont'd...)

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<u>Quantity</u>	<u>Item</u>	<u>Cost</u>
<u>Sealift #2 - May Arrival</u>		
	Rounds 7.62 x 39	
	Rounds 7.62 x 51	
	Rounds linked 7.62 x 51	
	Hand grenades	
	M-79 grenades	
	60mm grenades	
	81mm grenades	
	82mm grenades	
	RPG-7 rockets	
	Claymore mines	
	50 cal API	
	12.7 ammo	
	57mm recoilless rifles	
	57mm ammo	
	Anti-tank mines	
	G-3 rifles	
	G-3 cleaning kits	
	AK rifles	
	G-3 magazines	
	AK magazines	
	Swedish K magazines	
	HK-21 machine guns	
	RPG-7 launchers	
	M-79 launchers	
	9mm pistols	
AK-39 links or belts		
C-4		
Fuses and detonators		
Deposit paid		
Estimated cost		

Miscellaneous Expenses Since July 1984

	Uniforms	
	Boots	
	Radio and comm equip	
	Air and ground transp	
	Military gear	
	Aid to southern front	
	Aid to Misuras	
	Food, family asst,	
	upkeep of base	
	camps, air force	
	hospitals, etc.	
	Political activity -	
	offices in various	
	countries and cities,	
	travel, p.r.	
Acquisition two		
transp airplanes		

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THE WHITE HOUSE

WASHINGTON

March 11, 1985

SYSTEM IV  
NSC/ICS-400215N 7187  
SENSITIVE~~SECRET~~MEMORANDUM FOR THE HONORABLE GEORGE P. SHULTZ  
The Secretary of StateTHE HONORABLE CASPAR W. WEINBERGER  
The Secretary of DefenseTHE HONORABLE WILLIAM J. CASEY  
The Director of Central IntelligenceGENERAL JOHN W. VESSEY, JR.  
The Chairman, Joint Chiefs of Staff


SUBJECT: Assisting [redacted] Progress toward Democracy (C)

During my brief stop in [redacted] made a convincing case for their commitment to democracy. They also noted their critical need for relatively small amounts of security assistance, economic aid, and support for their struggling agricultural sector. (C)

In recent weeks, there appears to have been an increase in guerrilla attacks and subversion. It is entirely likely that we will see more polarizing activity of this kind as the [redacted] elections approach. Unless the Army has adequate support, certain elements [redacted] may use the guerrilla action as a reason to defer elections or to justify counter-productive, repressive measures. Unfortunately, the Congress only provided [redacted] in FY-85 IMET funds from the Administration's [redacted] security assistance request. While the FY-86 request for [redacted] in security assistance provides hope for the future, it would seem that we need to look for ways in which we can help [redacted] between now and their elections. (S)

It is, therefore, requested that State take the lead in developing imaginative alternatives [redacted] can be provided with assistance to improve their security situation. We should consider [redacted] as well as activities by other U.S. agencies which could have a positive effect on internal security conditions. [redacted]

Our goal in all of this should be to provide all possible assistance to [redacted] progress toward democracy. (S)

  
Robert C. McFarlane
~~SECRET~~

Declassify: OADR

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Partially Declassified/Released on 10 Feb 88  
under provisions of E.O. 12335  
by K. Johnson, National Security Council

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VESSEY EXHIBIT #2

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N 7189

S/r. [REDACTED]

CERTIFICACION DE DESTINO FINAL

[REDACTED] 14 de febrero de 1,985.

Señores:  
 ENERGY RESOURCES INTERNATIONAL  
 440 Maple Ave. East  
 Vienna, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por DIEZ MIL (10,000) rifles automáticos, los cuales serán destinados para uso exclusivo del Ejército de [REDACTED] y no serán reexportados ni vendidos a otro país, siendo [REDACTED] el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

[REDACTED]

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N 7190

CERTIFICACION DE DESTINO FINAL

[REDACTED] 14 de febrero de 1,985.

Señores:  
 ENERGY RESOURCES INTERNATIONAL  
 440 Maple Ave. East  
 Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por DIEZ MIL (10,000) libras de explosivo (HE) - C4 o TNT y UN MIL QUINIENTOS (1,500) detonadores variados, los cuales serán destinados para uso exclusivo del Ejército de [REDACTED] y no serán reexportados ni vendidos a otro país, siendo [REDACTED] el destino final.

Sin otro particular, aprovecho la oportunidad para sus cribirme atentamente.

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N 7191

CERTIFICACION DE DESTINO FINAL

14 de febrero de 1,985.

Señores:  
 ENERGY RESOURCES INTERNATIONAL  
 440 Maple Ave. East  
 Vienna, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL del material que a continuación se detalla, el cual será destinado para uso exclusivo del Ejército de [redacted] y no será reexportado ni vendido a otro país, siendo [redacted] el destino final:

- A. 150 ametralladoras
- B. 150 morteros de 60mm. -completos-.
- C. 100 morteros de 81mm. -completos-.
- D. 150 lanzagranadas M-79
- E. -30 fusiles sin retroceso de 57mm.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

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N 7192

CERTIFICACION DE DESTINO FINAL

14 de febrero de 1,985.

Señores:  
 ENERGY RESOURCES INTERNATIONAL  
 440 Maple Ave. East  
 Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por éste medio estamos extendiendo CERTIFICACION DE DESTINO FINAL del material que a continuación se detalla, el cual será -- destinado para uso exclusivo del Ejército de [redacted] y no será reexportado ni vendido a otro país, siendo [redacted] el destino final:

- A. 10,000 granadas M-79.
- B. -3,000 granadas de 60mm.
- C. -2,000 granadas de 81mm.

Sin otro particular, aprovecho la oportunidad para scribirme atentamente.



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N 7193

## CERTIFICACION DE DESTINO FINAL

14 de febrero de 1,985.

Señores:  
 ENERGY RESOURCES INTERNATINAL  
 440 Maple Ave. East  
 Vienna, Va., 22180.

Señores:

No. dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL del material que a continuación se detalla, el cual será destinado para uso exclusivo del Ejército de [redacted] y no será reexportado ni vendido a otro país, siendo [redacted] el destino final:

- A. 3,000 granadas RPG-7.
- B. --100 lanzagranadas RPG-7.

Sin otro particular, aprovecho la oportunidad para suscribirme atentamente.

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CERTIFICACION DE DESTINO FINAL

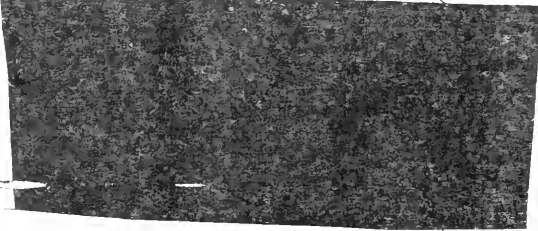
[redacted] 14 de febrero de 1,985.

Señores:  
 ENERGY RESOURCES INTERNATIONAL  
 440 Maple Ave. East  
 Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por es  
 te medio estamos extendiendo CERTIFICACION DE DESTINO FINAL  
 por DOS MIL (2,000) minas anti-personales y UN MIL (1,000)  
 minas anti-tanque, las cuales serán destinadas para uso ex-  
 clusivo del Ejército de [redacted] y no serán reexportadas -  
 ni vendidas a otro país, siendo [redacted] el destino final.

Sin otro particular, aprovecho la oportunidad para su-  
 cribirle atentamente.



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N 7195

CERTIFICACION DE DESTINO FINAL:

[REDACTED] 14 de febrero de 1,985.

Señores:  
 ENERGY RESOURCES INTERNATIONAL  
 440 Maple Ave. East  
 Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por es  
 te medio estamos extendiendo CERTIFICACION DE DESTINO FINAL  
 por TRES MIL (3,000) LAW ROCKETS, que vienen destinados pa-  
 ra uso exclusivo del Ejército de [REDACTED] y no serán reex-  
 portados ni vendidos a otro país, siendo [REDACTED] el desti-  
 no final.

Sin otro particular, aprovecho la oportunidad para s-  
 cribirme atentamente.

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N 7196

CERTIFICACION DE DESTINO FINAL

[REDACTED] 14 de febrero de 1,985.

Señores:  
 ENERGY RESOURCES INTERNATIONAL  
 440 Maple Ave. East  
 Viena, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por DIEZ (10) lanzacohetes tierra-aire y CINCUENTA (50) misiles tierra-aire, los cuales vienen destinados para uso exclusivo del Ejército de [REDACTED] y no serán reexportados ni vendidos a otro país, siendo [REDACTED] el destino final.

Sin otro particular, aprovecho la oportunidad para saludarles atentamente.

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N 7197

s/r.

CERTIFICACION DE DESTINO FINAL

14 de febrero de 1985.

Señores ENERGY RESOURCES INTERNATIONAL  
 440 Maple Ave. East  
 Vienna, Va., 22180.

Señores:

Nos dirigimos a ustedes, para manifestarles que por este medio estamos extendiendo CERTIFICACION DE DESTINO FINAL por CINCO MILLONES (5.000,000) de cartuchos Ball Ammo, calibre 7.62mm., los cuales serán destinados para uso exclusivo del Ejército de [redacted] y no serán reexportados ni vendidos a otro país, siendo [redacted] el destino final.

Sin otro particular, aprovecho la oportunidad para suscribirme de ustedes atentamente.



Declassified on 10 Feb 88  
 Authority: E.O. 12958  
 National Security Council

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 MILITARY EQUIPMENT REQUIREMENTS

N 7199

The following military equipment and services have been identified as the highest priority  Army in combatting the Communist guerrillas. They are listed in sequence of highest to lowest need within each category.

Aircraft:

- New or refurbished helicopters and spare parts for existing inventory.
- Spare parts for fixed wing cargo aircraft.
- New or refurbished ground attack aircraft and spare parts for existing inventory.
- New trainer aircraft and related spare parts.

Ground Forces Equipment:

- Communications equipment, including secure voice systems.
- Various vehicles for troop and logistical transport.
- Engineering equipment, including bulldozers, road-graders, and survey instruments.

Weapons and Munitions:

- Light and medium weapons, including M-16 rifles, M-60 machine guns, pistols (9mm and .45 caliber), 81mm and 60mm mortars, and 90mm recoilless rifles.
- Ground force munitions, including mortar, recoilless rifle, and artillery rounds, assorted mines and explosives, and 7.62 x 51 linked ammunition, plus hand grenades.
- Aerial munitions, including 200 and 500 pound bombs and 2.75 inch rockets with appropriate warhead mixes.

Additional Non-Tactical Supplies and Equipment:

- Field hospital equipment, general medical supplies, and training for paramedics.
- Tactical radars for use in detecting border infiltration.

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1/3/85  
SYSTEM II  
90012



WASHINGTON THE DISTRICT OF COLUMBIA

3 JAN 1985

*But*  
MEMORANDUM FOR ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

SUBJECT: U.S. Policy Toward Nicaragua (U)

(C) I believe it urgent that we update our policy toward Nicaragua. In particular, when Congress returns, we will have to address the problem of funding for the Freedom Fighters.

(S) So far as I know, your four objectives for Nicaragua (established by NSDD 124) are still fully valid:

- genuine implementation of democracy;
- verified end to export of subversion;
- verified removal of Cuban/Soviet bloc personnel; and
- verified reduction of Nicaraguan military forces to regional parity.

(S) There seems to be no prospect of accomplishing these objectives without improved assistance to the Freedom Fighters. This calls for planning to generate the requisite Congressional approval. We may wish to consider mixtures of support: overt and "covert"; direct and indirect (through third countries. For example); political, humanitarian, and military. The Joint Chiefs of Staff share my view that our support for the resistance to the Sandinistas must continue and also that we must bring our political, diplomatic, and economic strength to bear.

(C) I recommend that you have an NSPG meeting scheduled, as soon as feasible in January, to develop an updated approach toward Nicaragua, with particular focus on an effective approach to Congress.

*Jep* (799)

cc: Chairman, JCS

CLASSIFIED BY: DIR, IA RGN  
DECLASSIFY ON: OADR

*Wash. Ex. #3*

Partially Declassified/Released Under provisions of E.O. 12356  
By B. Reser, National Security Council

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**UNCLASSIFIED**

1

1 THOMAS

HSIS-46/87

2 SPRADLING

3  
4 DEPOSITION OF WILLIAM GRAHAM WALKER5  
6 Thursday, May 21, 19877  
8 U.S. House of Representatives,  
9 Select Committee to Investigate  
10 Covert Arms Transactions with Iran,  
11 Washington, D. C.12  
13 The Committee met, pursuant to call, at 4:00 p.m.,  
14 in Room B-352, Rayburn House Office Building, Terry  
15 Smiljanich presiding.16 Present: Tim Traylor, Special Agent, FBI, on behalf  
17 of the House Select Committee.18 Terry Smiljanich, Associate Counsel, on behalf of the  
19 Senate Select Committee.20  
21 Partially Declassified/Release: on 21 DEC 87  
22 under provisions of E.O. 12958  
23 by           , National Security Council  
24 K. JOHNSON

(4055)

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**SECRET**

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**UNCLASSIFIED**

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1 Whereupon,  
2 WILLIAM GRAHAM WALKER, was called as a witness, and  
3 after having been first duly sworn, was examined and  
4 testified as follows:

5 MR. SMILJANICH: Okay, on the record. Firstly,  
6 let me say before we get started, that I understand the  
7 reporter with us today is a notary in the Commonwealth of  
8 Virginia and the State of Maryland and I have no objection  
9 to this reporter administering the oath for the purpose of  
10 this deposition, and I have no objection to the form of  
11 the oath.

## EXAMINATION

12 BY MR. SMILJANICH:

13 Q This is a deposition being taken by both the  
14 Senate Select Committee on the Iran contra matter and the  
15 House Committee. I represent the Senate Committee. Tim  
16 Traylor is here representing the House Committee.

17 Mr. Walker, I am going to ask you some questions  
18 concerning your knowledge about certain matters. If you  
19 do not understand any of my questions, please let me know  
20 that you don't understand them and I will be happy to  
21 rephrase them.

22 A I will.

23 Q Firstly, for the record, state your full name.

24 A William Graham Walker.  
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1 Q And you are currently Deputy Assistant Secretary  
2 in the Bureau of Inter-American Affairs?

3 A Yes, I am.

4 Q Is that a deputy assistant secretary position  
5 that encompasses a specific subsection of the Inter-  
6 American Affairs?

7 A Yes, my area of responsibility is loosely  
8 described as Central America, loosely described because  
9 it includes Panama.

10 Q Panama is not in Central America.

11 A No, Panama is not in Central America.

12 Q You report directly to Assistant Secretary  
13 Elliott Abrams?

14 A Yes, I do.

15 Q And under you, what is the organization under you  
16 in Central America?

17 A For most of the time I have been there, I have  
18 been responsible for supervision of one country directorate,  
19 it is called the Country Directorate for Central American  
20 Affairs, headed by an officer called Richard Melton. He  
21 has three deputy assistants under him, plus I believe  
22 roughly 18 desk officers for the various countries.

23 Q What are your duties as Deputy Assistant  
24 Secretary for Central America?

25 A I generally have responsibility for oversight and

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1 direction of the Office of Central American Affairs, that  
2 is, our geographic desk which handles the bilateral  
3 relations with the countries of Central America, the  
4 multilateral affairs that involve any and all of the  
5 countries of Central America and the United States.

6 Q And you have been Deputy Assistant since July  
7 '85?

8 A The exact date I have my entry on duty was, I  
9 believe yes, July 21, something like that, 1985.

10 Mid July, '85.

11 Q When you accepted your position as deputy assistant  
12 secretary, was there a restricted inter-agency group in  
13 existence which dealt with Latin American matters?

14 A Yes, there was.

15 Q What was the structure or organization of the RIG  
16 when you first came on as deputy assistant secretary?

17 A The RIG throughout my tenure was a variation on  
18 theme of an inter-agency continuing committee. The RIG  
19 that I sat in on dealing with Central American Affairs  
20 usually consisted of representatives from the NSC, the  
21 State Department, the Pentagon, the Joint Chiefs of  
22 Staff.

23 Q Did you say the Agency?

24 A The Agency, Central Intelligence Agency.

25 Q How often did the RIG, this RIG, when it dealt

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1 with Central America, how often has it met during your  
2 tenure on average?

3 A Really there would be no average figure. I think  
4 I was told when I arrived on the job that they tried to  
5 meet once a week. Sometimes they would be called together,  
6 we would be called together several times a week. Sometimes  
7 it would go for two or three weeks without a meeting.

8 During periods of intense activity, they might  
9 gather as often as twice a day. No set time of the week or  
10 no set day of the week when they met.

11 Q On the RIGs that you attended, who were the usual  
12 participants from the various agencies?

13 A This varied over time. When I started out, from  
14 the NSC, it was Ray Burkhart, who was the Latin American  
15 expert on the NSC staff. Colonel North from the Agency.  
16 It was [REDACTED] head of the Central American Task Force  
17 and his supervisor who occasionally sat in, [REDACTED]  
18 From the Joint Chiefs of Staff, it was Admiral  
19 <sup>Moran</sup>  
~~Moran~~, since deceased.

20 From the Pentagon, it was almost always  
21 Nestor Sanchez, quite often accompanied by a Colonel Steve  
22 Kroker, I believe is the way he pronounces it.

23 From the State Department it was, which usually  
24 chaired the meeting, it was the Assistant Secretary,  
25 Elliott Abrams, myself and quite often, the Senior

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1 Deputy Assistant for the Bureau, Jim Michael.

2 Did I cover all the agencies?

3 Q I think you did.

4 Were minutes or notes kept of the RIG meetings  
5 that you attended?

6 A No, there were not.

7 Q What was the purpose of the RIG?

8 A The RIG meeting was a sort of offshoot as I  
9 understand it of the IG system which was the inter-agency  
10 coordinating mechanisms. The IG which also met from time  
11 to time, and occasionally dealt with Central American matters,  
12 sort of co-existed with the RIG. The RIG as its  
13 title implies the restricted inter-agency group was  
14 supposed to be the key players from the various agencies  
15 that dealt with Central American Affairs and it was a  
16 coordinating mechanism, exactly that.

17 Q Was there a smaller working group exposed of fewer  
18 members of that same rig that dealt specifically with  
19 matters involving the Nicaraguan resistance?

20 A The RIG itself, when it met on Central American  
21 affairs, dealt with many issues having to do with Nicaragua.  
22 There was no formal smaller group but people have referred  
23 to a mini-rig or a smaller informal group that sometimes  
24 met. Yes, there was.

25 Q And who usually comprised that smaller group?

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1           A     As I say the smaller group was sort of an ad hoc  
2 thing that would come together more often at the end of a  
3 regular RIG session. It came together most often because  
4 the RIG itself in spite of its restricted title seemed  
5 to grow and become unwieldy, the conversation tended to drag  
6 on interminably, decisions tended not to be made. If  
7 they were made they were confusing. So quite often three  
8 or four of the key players would stay behind and talk about  
9 some of the issues that had just been discussed, or other  
10 issues. Those key players were most often Elliott Abrams,  
11 [REDACTED] from the Agency, sometimes with his boss,  
12 sometimes not, and Ollie North, occasionally Ray Burkhart  
13 would sit in, sometimes not -- I sat in on some of those  
14 and others I guess took place that I didn't sit in on.

15           Q     Would it be fair to say that more often than not  
16 this smaller working group subcategory of the RIG, whatever  
17 you want to call it, comprised of Elliott Abrams, [REDACTED]  
18 [REDACTED] and Ollie North, as the usual three that met to  
19 discuss these matters?

20           A     Yes, I would think if you looked at the list of  
21 participants in that over time, the most consistent pattern  
22 would show those three or those three plus Mr. or me  
23 or those three and four or a fifth person. Jim Michaels  
24 also would come into these meetings, drift in and drift  
25 out.

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1 Q Can you give me any approximation of how often  
2 the smaller group would get together to discuss matters  
3 concerning the Nicaraguan resistance? Once a week, twice  
4 a month?

5 A I would say that a very rough approximation --  
6 and this would only include the RIGs that I attended, you  
7 would be talking about maybe one out of every two RIGs  
8 would produce those three or four people staying afterwards  
9 to talk about other things. Quite often the smaller group  
10 came about as a result of the other players having to  
11 go back to their agency, grabbing their cars, this sort  
12 of thing, and it would be reduced to the people who really  
13 were on a day-to-day basis ~~seriously involved in the Central~~  
14 American issues, including the Nicaraguan issues.

15 Q ~~Let me ask it this way.~~ The reason I ask so many  
16 questions about this is that I can tell you there are four  
17 people, four various people who whenever they have  
18 described what they perceived of as the RIG, have said  
19 that the RIG they understood this RIG to be exposed of  
20 Elliott Abrams,  and Ollie North. Whether they  
21 are right or wrong, there must have been something to lead  
22 to perception among more than one person that the RIG  
23 which formally was composed of many more people, was  
24 actually as a working matter ~~composed of~~ just three  
25 people, and I just wonder what you can tell me. I can't

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1 tell you who the various people are, but what you can tell  
2 me what you observed there, whether or not these people  
3 are just out in left field or have any basis for their  
4 perception?

5 A There is a great deal of confusion even among  
6 the players themselves, the people who were ostensibly  
7 members of the IG or the RIG, and we haven't even  
8 discussed the SIG, and this smaller mini group that had no  
9 formal structure about it.

10 There were IGs, that dealt with any issue that  
11 was in Elliott Abrams' portfolio, which includes all of the  
12 Western Hemisphere from Mexico south.

13 I would occasionally be called to attend some of  
14 those when the issue was something having to do with Central  
15 America.

16 Those groups were quite large and would bring  
17 in other players, sometimes from within the State Department,  
18 from the Pentagon, that were not participants in the RIG.  
19 That was why the RIG, I understand it was before my  
20 time was formed, to bring it down to more manageable size  
21 and only the major agencies dealing with Central America  
22 were invited to participate, and they named their representa-  
23 tives and those representatives were supposed to come and  
24 not send substitutes.

25 I assume at one time those people considered

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1 themselves members of a smaller group dealing with Central  
2 American issues, however this sort of mini group formed  
3 would come into being after many of the regular RIG meetings,  
4 maybe some of the other players perceived that as where  
5 the real decisions were made. The decisions were actually  
6 made throughout that system. I could not, if you gave me a  
7 decision that I sat and watched being made, I would have a  
8 hard time remembering in which forum it took place.

9 Q Let me see if I can paraphrase that and see if  
10 you agree with the accuracy of the statement.

11 . The large RIG wasn't some front organization which  
12 everybody got together and talked and then the real people  
13 stayed behind when it was over with and made the real deci-  
14 sions and the large group was just a pro forma get  
15 together, but on the other hand the large group would  
16 sometimes make decisions, sometimes these three particular  
17 people very often would either stick around after the end  
18 of the meeting or would sometimes meet separately and would  
19 sometimes make its own separate decisions about matters,  
20 specifically concerning the Nicaraguan resistance, but that  
21 sometimes the decisions were made by large groups, some-  
22 times they were made by the small group, there was nothing  
23 formal about any of this structure.

24 Is that fair to say?

25 A That is fair and correct.

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1 Q When did you first hear about a secret airstrip  
2 down in Costa Rica somewhere?

3 A I might have heard reference to the existence  
4 of an airstrip or building an airstrip by people friendly  
5 to the contras, earlier, my first real recollection of the  
6 existence of an airstrip in Costa Rica was at the time there  
7 was going to be a press conference by the Director of  
8 Public Security in Costa Rica, and I was up at the United  
9 Nations with Elliott Abrams when this appeared in the New  
10 York Times.

11 So it would have been in September of 1986 when  
12 the UN General Assembly got started and we would go up  
13 sort of en masse to hold bilateral talks with the various  
14 Latin American governments.

15 Q There were RIG meetings throughout the fall of  
16 '85 concerning the startup of the Nicaraguan Humanitarian  
17 Assistance Office, some of which you attended; is that  
18 correct?

19 A Yes.

20 Could I answer?

21 Q Yes.

22 A I arrived in my job just after the Congress  
23 had decided to supply \$27 million in humanitarian assistance  
24 to the resistance. The first three, four, five months  
25 that I was on the job, a very sizeable portion of my time

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1 went into trying to formulate a system to implement that  
2 piece of legislation. I spent the first month trying  
3 to just get on top of the issue what was \$27 million in  
4 humanitarian assistance, what was it to be used for,  
5 coming up briefing the Congress on various plans to  
6 implement it, having some of them thrown out, going back and  
7 helping, talking to the RIG and the IG and people in the  
8 Department as to how we might put this all together.

9 So, yes, there were many meetings in the fall  
10 of '85 trying to establish the structure with which we would  
11 administer the \$27 million and, yes, I participated in any  
12 that I was in Washington at the time as, especially where we  
13 are talking about that program.

14 Q Ambassador <sup>Duenling</sup> ~~Dumeling~~ kept notes of RIG meetings  
15 that he attended throughout this time period, one of the  
16 people who did and one of his RIG notes references it is  
17 October 1 or October 8, somewhere in there of '85, one of  
18 his RIG notes shows a list of attendees and it shows you as  
19 one of the attendees. It shows Elliott Abrams was not at  
20 that particular RIG meeting. I think Jim Michael was the  
21 chair of this particular RIG, and there is a reference in  
22 there under Costa Rica to an airstrip being built.

23 Do you have any recollection that during that  
24 time frame there was any kind of reference made at a RIG  
25 meeting to an airstrip being built in Costa Rica. In other

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1 words, does that jog your memory at all?

2 A As I said, there probably were references to an  
3 airstrip being constructed or having been constructed  
4 in Costa Rica. My memory of any such reference is very  
5 faint. I certainly don't recall it being at a RIG or a,  
6 certainly any specific rig. My faint memory would be of  
7 Colonel North mentioning that people who were trying to  
8 help the contras were trying to do something in northern  
9 Costa Rica with an airstrip which would let them supply  
10 drops into Nicaragua. But specifically that meeting, those  
11 circumstances it doesn't jog my memory.

12 Q Did you have any idea that there were actual  
13 negotiations going on [REDACTED]  
14 [REDACTED]  
15 [REDACTED] dealing with allowing such  
16 an airstrip to be constructed by private people?

17 A To the best of my recollection, no.

18 Q You have read about this airstrip, it is now being  
19 in the newspaper quite a bit and all, and Ambassador Tambs  
20 has been quoted in the newspaper about his role in connec-  
21 tion with that airstrip.

22 Are you at all surprised that as Deputy Assistant  
23 you were not aware of the fact that our Ambassador to Costa  
24 Rica was engaged in such [REDACTED]  
25 matters?

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1           A    No, I am not surprised.

2           Q    Why is that?

3           A    Of the embassies that I had general responsibility  
4 for supervising, and liaisioning with, the embassy in  
5 San Jose, Costa Rica was by far the least known to me or  
6 the least understood by me. Ambassador Tambs was a  
7 political appointee, whereas with the other embassies,  
8 I would have once a week telephone conversations with either  
9 the DCM or the Ambassador. During the entire time he  
10 was there, I spoke to Ambassador Tambs twice on the phone  
11 and both times sort of to express our astonishment at  
12 some things he had done that were very surprising to us,  
13 and were unknown to us and were not what we would have  
14 thought he would be involved in.

15                   On the three or four times I met Ambassador Tambs  
16 personally, a couple of times going through Costa Rica  
17 on visits and maybe once here in Washington when he was up  
18 in consultations, we really had no substantive discussions.

19                   It is somewhat hard to explain, but Ambassador  
20 Tambs was sort of a mysterious figure to me. So in the  
21 hypothetical situation you are giving me that he was [REDACTED]  
22 [REDACTED] helping  
23 people set up an airstrip, it does not come as a terrible  
24 surprise to me even though it is somewhat shocking.

25           Q    Did you have any impression or belief that during

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1 Ambassador Tambs tenure in Costa Rica, he was getting  
2 instructions from someplace other than the Bureau of  
3 Inter-American Affairs for his mission in Costa Rica?

4 A Without being able to point to anything very  
5 specific, yes, that was the general impression I had.

6 Q What was your impression, understanding it was  
7 just a general feeling, as opposed to specific facts,  
8 what was your impression as to where he was getting his  
9 guidance from?

10 A My impression was that his contacts in the White  
11 House and perhaps messages or signals received from the  
12 Central Intelligence Agency sort of combined to give him  
13 what he thought were his instructions.

14 Q The White House and the Agency?

15 A Yes.

16 Q You mentioned two occasions when you talked with  
17 Ambassador Tambs on the telephone. I think you said you  
18 were down there a few times, there were two times when you  
19 talked to him on the telephone during his tenure?

20 A Yes.

21 Q Describe for me each of those occasions?

22 A I am trying to remember the circumstances of the  
23 second one. Let me describe the first one.

24 The first one dealt with a cable that appeared  
25 out of the blue.

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1 Q We have the cable. You don't have to try to  
2 guess. Late March?

3 A March, early April '86 which described a meeting  
4 he had had at the embassy with General John Singlaub in  
5 which Singlaub in turn talked about an agreement that he  
6 was trying to reach with Eden Pastora, having to do with  
7 U.S. assistance to Eden Pastora in return for meeting  
8 certain conditions.

9 Q Did you have any idea before this cable came in  
10 that General Singlaub was going to be meeting with Eden  
11 Pastora?

12 A No.

13 Q Go ahead.

14 A The cable on the face of it raised a lot of  
15 questions in my mind and in taking it to Elliott, in  
16 Elliott's mind -- a first reading and a second reading  
17 it looked as though our Ambassador in Costa Rica had lent  
18 the prestige of the embassy and the U.S. Government and  
19 his own to what appeared to be an agreement between a private  
20 U.S. citizen and a self-proclaimed contra leader for that  
21 contra leader to receive assistance.

22 Elliott Abrams as I remember took that cable  
23 up to the 7th floor immediately. I don't remember if he  
24 discussed it with the Secretary or just with Charlie  
25 Hill, the Executive Secretary of the Department. But when

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1 he returned he said that they had agreed with us that this  
2 was a very unusual thing to have happened, and we should  
3 query the embassy to find out greater detail as to exactly  
4 what had taken place.

5           If my memory serves me, the legal adviser was  
6 also brought in at about that time, Judge Sofaer. I  
7 believe it was the next day I was told to take the in-  
8 coming cable up to Judge Sofaer's office and sort of brief  
9 him on this and tell him what we knew, but more importantly  
10 what we didn't know, which was this came out of the blue.

11           The judge agreed that we should send a follow-up  
12 cable to the embassy with very specific questions due to the  
13 appearance of possible illegality.

14           If I am not mistaken, Rick Melton was asked to  
15 draft the reply cable, the second cable in which we  
16 expressed surprise and chagrin that Tambs had put himself  
17 in this position, and then asked a series of questions.

18           A few days later a reply came back with his  
19 responses and our reaction to that was this is almost worse  
20 than the first cable, and again this was sent up to Judge  
21 Sofaer and if I am not mistaken, the Inspector General of  
22 the Foreign Service was at some point called in to this  
23 to take a look at it to see if the Ambassador specifically  
24 had really been out of line.

25           Whether anything happened after that I don't

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1 know. In the middle of that someplace, I called  
2 Ambassador Tambs and sort of said we really need your  
3 answers to this, this really looks kind of strange. As I  
4 remember he told me he had some other things he had to  
5 do and would get around to it, and I was telling him, look,  
6 damn it, this is very important, we need your answer, Judge  
7 Sofaer is involved, this is a very serious matter,  
8 whatever else is on your plate could not be as important as  
9 telling us what you have done.

10 That prompted his cable.

11 Q Did he talk to you on the phone about his  
12 explanation for any of this? Did he tell you what he had  
13 done?

14 A My memory is we were on the secure phone. I have  
15 virtually never had a conversation on the secure phone  
16 where you could really carry on a good conversation, it is  
17 a very poor system. I don't think we went into much beyond  
18 just talking about, hey, the cable that you sent in has  
19 stirred things up, we have sent you a strong reply, we  
20 need the answers, that sort of thing.

21 Q I want to come back to this in a minute. Do  
22 you recall the second time you had a telephone conversation  
23 with the Ambassador?

24 A No, but it was something along the same lines  
25 in which the embassy had not performed well. It was not

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1 as serious a matter, that is. I was calling up to say  
2 that damn it, we don't understand what you are doing down  
3 there, please tell us, and he sort of came back in kind and  
4 we didn't have a very successful phone call. Those were  
5 the two calls that I remember having direct conversation  
6 with Lou Tambs about substantive matters.

7 Q You don't recall the substance of the second  
8 conversation?

9 A No, I don't.

10 Q Going back to the first matter involving  
11 General Singlaub, shortly after this series of cables  
12 back and forth, General Singlaub had a series of meetings  
13 with Rick Melton, with Elliott Abrams, and there are  
14 various memos that were churned out as a result of  
15 these meetings, and you are shown as the memos being  
16 routed through.

17 My question is, were you present at any of those  
18 meetings?

19 A I was present at what I believe was the final  
20 meeting of that series which Singlaub came in and was seen  
21 by Elliott Abrams in Elliott Abrams' office. I had also  
22 been involved in that. Rick Melton had originally told  
23 me of a visit or phone calls from General Singlaub who  
24 said he was going out to [REDACTED] and was asking  
25 essentially if we had objections to his soliciting

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1 assistance for the contras from one or two of the  
2 governments out there that he had longstanding contact  
3 with.

4 When Rick Melton got that request he sent a  
5 memo I believe to Elliott through me, I am sure I saw it,  
6 I am sure I saw some subsequent memos because I  
7 understand Singlaub called Rick several times [REDACTED]

8 [REDACTED]  
9 Q The final meeting, was this after he came back  
10 or before he left?

11 A This was after he came back.

12 Q Go ahead.

13 A I don't remember now because I haven't seen those  
14 memos since they passed over my desk in early '86.

15 Q Off the record.

16 (Discussion off the record.)

17 MR. SMILJANICH: Back on the record.

18 We are back on the record.

19 BY MR. SMILJANICH:

20 Q You have just gone through a series of memos  
21 dated at various times in May of '86 that concern these  
22 meetings with General Singlaub, both before and after his  
23 visit [REDACTED]. Having read those memos now, what  
24 can you tell me as far as your own recollection of your  
25 involvement in the various meetings which you understood

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1 were going on?

2 A If my recollection is correct, I met with  
3 General Singlaub in Elliott's office shortly after the  
4 problem had arisen in the Costa Rica context, and Singlaub  
5 essentially came in, whether at his request or our request  
6 I can't remember, to explain what had happened in Costa  
7 Rica with Ambassador Tams and Eden Pastora.

8 I have a fairly specific memory of Elliott not  
9 wanting Singlaub to discuss his private efforts to get  
10 help to the contras, Elliott thinking that would be  
11 inappropriate. However, when Singlaub came in he did make  
12 reference to his contacts in [REDACTED] a little bit  
13 about his reasons for helping the contras. I have a  
14 recollection somewhat faint now that my impression was that  
15 General Singlaub thought we knew more about what he was  
16 talking about than we did.

17 Q You meaning concerning his private efforts?

18 A Yes.

19 My memory of the Melton memos and a lot of  
20 reference in there doesn't mean anything to me, and I have  
21 the impression, again somewhat vague, that I might have  
22 been traveling at that time and just sort of came in on  
23 that at various points. I do remember Rick telling me that  
24 Singlaub was going off to [REDACTED] and had made a  
25 request to him for guidance from either Elliott or the

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1 U.S. Government. I remember seeing some of the memos that  
2 you just showed me but I can't recall having any knowledge  
3 of some of the explanations that were given to Singlaub,  
4 come back and I will tell you some important things. I  
5 don't know what those things are talking about. I have a  
6 feeling I was only there for bits and pieces of that  
7 exercise.

8 Q In the one meeting that you attended between  
9 Abrams and Singlaub, firstly, this was a meeting that took  
10 place before Singlaub was leaving for [REDACTED]?

11 A From the sequence of those memos I have to believe  
12 yes. Melton talks about a previous meeting with Singlaub  
13 and I think I was in the first meeting that Elliott  
14 had with Singlaub after the Costa Rica thing. So that in  
15 my mind means that it was an earlier meeting.

16 Q Do you recall whether or not Elliott Abrams  
17 gave General Singlaub an answer one way or the other  
18 concerning the sending of a signal to a foreign government  
19 that General Singlaub's efforts were sanctioned or  
20 authorized by the United States? By that I mean do you  
21 recall either way? In other words, either Elliott's answer  
22 telling him no, we can't do that or yes, we can do that?

23 A I have no distinct memory of that issue being  
24 in the conversation, although it might have been.

25 The majority of that meeting dealt with what

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1 had happened in Costa Rica and Singlaub told us why he  
2 thought Eden Pastora's involvement in the liberation of  
3 Nicaragua was essential, that he was perhaps the only  
4 national and internationally recognized figure. We  
5 talked a bit about problems the U.S. Government had had of  
6 time in dealing with Eden Pastora. We talked a bit about  
7 how Eden Pastora was trying to make himself eligible for  
8 the humanitarian assistance monies, but up to that point  
9 had not been able to do so and, therefore, was in fairly  
10 desperate straits in Costa Rica.

11 I had been as I said previously quite involved  
12 in the humanitarian assistance program. Specifically I  
13 had been quite involved in many of the events in which  
14 Eden Pastora tried to get his share of that \$27 million.  
15 So I do remember quite a bit of discussion with John  
16 Singlaub about who he thought Eden <sup>Pastora</sup>~~Pastora~~ was, and why  
17 he thought he should get U.S. assistance on the humanitarian  
18 side.

19 Q Do you recall what General Singlaub said about  
20 the role Ambassador Tambs played in that episode in Costa  
21 Rica? In other words, did he confirm what Tambs had said  
22 or have any new light on it?

23 A I don't have any exact memory of what he  
24 might have said.

25 Q At one of your interviews we have had in the

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1 past several weeks, you have made reference to a time at  
2 a meeting between Secretary Abrams and General Singlaub  
3 in which General Singlaub started to talk about his private  
4 resupply efforts, and Elliott Abrams cut him off, I think  
5 were the words you used, said he really shouldn't talk  
6 about that.

7 Is this the meeting you were referring to? I  
8 think you sort of said that just a while ago when you  
9 said General Singlaub was talking about his fund-raising  
10 efforts or whatever.

11 .A Before the meeting took place, as quite often  
12 was the case, Elliott asked me what might come up in the  
13 meeting with Singlaub. We were anxious to hear his  
14 version of what had happened in Costa Rica, and at some  
15 point in that process, Elliott conveyed to me that he  
16 did not want General Singlaub to be talking about whatever  
17 he was doing as a private citizen for the contras.

18 Whether or not at the meeting he actually cut  
19 him off I don't remember, but it was certainly on my mind  
20 through the meeting that Elliott did not want it to go in  
21 that direction.

22 As I say, General Singlaub did talk in very  
23 general terms, sort of gave us a little bit of history  
24 of how he had traveled a lot in [REDACTED] and gotten to  
25 know people in [REDACTED] places like

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1 and I believe I recall him saying, indicating by some words  
2 that that was where he was getting some help.

3 Q While General Singlaub was in [REDACTED] do  
4 you have any recollection of being apprised of any  
5 telephone calls that were going back and forth while he was  
6 over there?

7 A As I say, I remember Rick Melton telling me that  
8 he had either seen or talked to Singlaub on the phone,  
9 either before Singlaub had gone off to [REDACTED] or  
10 when he had first gotten to [REDACTED] Singlaub had posed  
11 certain questions which I believe were covered in the  
12 memos that he, Melton, received one or two follow-up calls  
13 from Singlaub presumably from [REDACTED] wherever he  
14 was, asking for replies.

15 Q But you don't recall what the substance of those  
16 conversations was supposed to have been?

17 A No, that is why I am relatively convinced I  
18 was either about to travel or had just traveled or was  
19 occupied with something else, because reading the memos and  
20 my memory, leads me to believe that Rick was dealing  
21 directly with Elliott and then got his reply off to Singlaub  
22 without it coming through me.

23 Q There are references that you saw toward the  
24 end of those memos concerning other things being in the  
25 offing, or other matters going on which preclude at that

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1 point his efforts in [REDACTED] Do you have any idea  
2 what those references are to?

3 A At this point, no, I don't. If I could talk to  
4 Rick for five minutes, he might say something that would  
5 make me remember, but reading the memos and my own private  
6 recollection doesn't lead me to any further light.

7 Q Fair enough.

8 Just to finish with General Singlaub, after the  
9 Hasenfus plane was shot down in Nicaragua, I believe you  
10 got a call shortly thereafter from General Sweitzer who was  
11 conveying a concern or message from General Singlaub  
12 about his name being linked to the mountain area, do you  
13 recall that?

14 A That is correct.

15 Q Tell me about that.

16 A After the Hasenfus plane went down, and we  
17 realized there were Americans on board, there were a  
18 couple of Americans killed, that sort of thing, there was  
19 naturally some speculation and guessing in my office, in  
20 Rick Melton's office, as to who might have been responsible  
21 for that aircraft being where it was when it was. At one  
22 point in the next couple of days, we thought of trying to  
23 get ahold of Singlaub to ask him if that was part of his  
24 operation and we were told, how I don't remember, that  
25 General Singlaub was in the Far East, I believe in the

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1 Philippines.

2 Rick Melton or someone in his shop might even  
3 have tried to get a call through to him unsuccessfully.

4 A few days later, I got a call from Retired  
5 General Robert Sweitzer, who I had never met, still haven't  
6 as far as I know, but who called me by my first name, said  
7 he was trying to get through to Elliott and wanted Elliott  
8 to know that he had been in touch with General Singlaub  
9 who was headed home or headed to Washington from his trip  
10 to the Far East, and he wanted us to know that Singlaub  
11 was very upset with the Department of State and with  
12 Elliott Abrams.

13 I asked him why, and he told me something to the  
14 effect that Singlaub was reading the newspapers and was  
15 coming to the conclusion that the State Department or  
16 people in the State Department were trying to make him,  
17 John Singlaub, a patsy for the downing of this aircraft,  
18 that it was not an aircraft that John Singlaub had anything  
19 to do with, and he was upset that newspaper stories were  
20 quoting informed sources in the State Department or  
21 high officials in the State Department and referring to  
22 this as a Singlaub operation.

23 I told Sweitzer that by all means, if Singlaub had  
24 such a complaint that he should come and see Elliott Abrams  
25 or me and that we would tell him as I was going to tell

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1 General Sweitzer, that we were not trying to make anyone  
2 the patsy, we had no idea who or what was behind the  
3 Hasenfus flight. I suggested that someone in the Department  
4 might have been gotten to by a reporter and used the term  
5 "Singlaub operation" in the generic sense of the word,  
6 that General Singlaub was known far and wide as someone who  
7 solicited money and assistance for good causes around the  
8 world, and it was almost as I say a generic term for private  
9 assistance to resistance fighters and that maybe someone  
10 using in this way had been misinterpreted by the reporter  
11 or Singlaub's lawyer has misinterpreted reading the story  
12 and had taken offense when none was meant, if Singlaub would  
13 come in I would be sure Elliott would say something along  
14 the same lines.

15 Sweitzer took the point and said he still thought  
16 it was important for John Singlaub to talk to Elliott and  
17 a few days later, such a meeting was held and I sat in on  
18 the meeting.

19 Q And firstly before we go to that meeting, wasn't  
20 it in fact true that you were aware of the fact that the  
21 State Department had unofficially put out the word that this  
22 was a Singlaub or Singlaub-like operation. Were you aware  
23 of that?

24 A No.

25 Q Going forward to the meeting, you attended a

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1 meeting between General Singlaub and Secretary Abrams. What  
2 occurred at the meeting?

3 A Pretty much what you would expect. Singlaub  
4 described reading the newspapers in the Philippines and  
5 seeing his name associated with the Hasenfus doing and  
6 claimed he had no connection with it whatsoever, expressing  
7 his concern that newspaper stories were quoting State  
8 Department officials, unnamed, as having referred to him,  
9 and I gave him this thing about his name now being a  
10 household word and it was now a generic term for private  
11 assistance to freedom fighters.

12 Q And he seemed satisfied with that explanation?

13 A Yes. The meeting was not in any way confronta-  
14 tional or unfriendly.

15 Q Do you recall General Singlaub at all in this  
16 meeting saying words to the effect that he didn't mind  
17 being tied to the flight, even if he weren't tied to the  
18 flight, as long as he knew about it ahead of time that he  
19 was going to be playing that particular function?

20 A No.

21 Q In other words, acting as a lightning rod for other  
22 people?

23 A No.

24 Q You don't recall him saying anything like that?

25 A No, I don't.

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1 Q Okay, now let me go back now a couple of  
2 months to a meeting that took place in August of '86, when  
3 you were asked to accompany someone to a meeting at Don  
4 Gregg's office for the Vice President. Tell me your own  
5 best recollection of how you came to -- firstly, how you  
6 came to attend that meeting.

7 A Ambassador Ed Corr, American Ambassador in San  
8 Salvador, and someone that I served as Deputy Chief of  
9 Mission to between '82 and '85 in ~~Tapes~~ <sup>La Paz, Bolivia</sup> ~~Bolivia~~, came to  
10 town on consultations in that week of August 1986. He  
11 went through a very busy round of meetings all over town,  
12 all the agencies dealing with his country, inside the  
13 Department of State, outside the Department of State.

14 Other than the meetings that I might have had with  
15 him one on one, or in Elliott's office, I did not participate  
16 in any of his except this one meeting in Don Gregg's  
17 office, in the old Executive Office Building. I attended  
18 essentially because Ed Corr asked me to be with him.

19 He was busy before the meeting, I was busy before  
20 the meeting, I really had no idea what the meeting was  
21 about until we were heading towards the old Executive  
22 Office Building. On the way over, Ed gave me the rationale  
23 for the meeting, which went something like this: He  
24 said that he, Ed Corr, had it had come to his notice that  
25 there was a fellow named Felix Rodriguez who was in

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1 El Salvador, who had a contract under our military  
2 assistance program with the Government of El Salvador,  
3 the Air Force of El Salvador, [REDACTED]  
4 [REDACTED] but who also seemed  
5 to be involved in the private donor assistance to the  
6 contras [REDACTED]

7 Ed said that this operation was sloppy and could  
8 sort of blow up in the faces not only of the people involved  
9 in it [REDACTED] and that this  
10 fellow, Rodriguez, was going around saying that he had  
11 connections in the Vice President's office and this was  
12 very worrisome to Ed Corr and he wanted to sort of get  
13 to the bottom of it.

14 And my impression from, as we went into the meeting  
15 and my recollection as I think I described to you before,  
16 was that Ed Corr had asked for the meeting, that it was  
17 his initiation we were there.

18 Q Now then, when you then arrived at the meeting,  
19 firstly, tell me who you can recall being in attendance.

20 A My memory is that there was Don Gregg, these are  
21 for sure in my memory participants, Don Gregg, Ed Corr,  
22 myself, [REDACTED] Ray Burkhart, Lieutenant Colonel --

23 Q Earle?

24 A Bob Earle, from Ollie North's office.

25 I have a somewhat vaguer recollection that Colonel

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1 James Steele, [REDACTED] was at the  
2 meeting.

3 Q What about Sam Watson?

4 A I have a vaguer memory of two other participants,  
5 one being Sam Watson, and it just occurred to me on the  
6 plane today coming up from Honduras that Don Mattis, who  
7 was a U.S. officer serving in the White House Press Corps,  
8 might have been at this meeting, but that is a vague memory.

9 If you check with Don and ask him if he was  
10 there, that would be the end of it. If he said he wasn't,  
11 then my memory would be incorrect.

12 Q Other people that were at the meeting, I don't  
13 think have mentioned him as a participant, for what it is  
14 worth. Tell me then your own best recollection of the  
15 course of the conversation there. Firstly, let me ask you  
16 this. Based upon the course of the conversation was it  
17 still your impression that this meeting was called together  
18 at Ed Corr's request?

19 In other words, did the meeting seem to confirm  
20 to you what you thought?

21 A Yes.

22 Q Tell me what you recall about the meeting?

23 A I vaguely recall Don Gregg saying some words  
24 of wisdom and turning it over to Ed Corr who gave in some  
25 detail what I have just described as what he told me was

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1 the purpose of the meeting, a fellow named Felix Rodriguez,  
2 a concern that [REDACTED]  
3 [REDACTED] might take  
4 some hits if this somewhat shoddy operation were to come  
5 out and then specifically the fact that he, the  
6 Ambassador, was hearing, whether directly or indirectly I  
7 don't know, he was hearing that Rodriguez was telling lots  
8 of people that he, Rodriguez had connections in the Vice  
9 President's office, and that he, Ed Corr, wanted to know  
10 if that was true or not, and if it was true, if they could  
11 get back to Rodriguez and tell him that was not the wisest  
12 thing to do.

13 My memory is that Don Gregg confirmed that he knew  
14 Felix Rodriguez, had worked with him in Southeast Asia, as  
15 I recall, did know he was in Salvador, and did express  
16 concern that his friend, Felix, was using the Vice President's  
17 office or the Vice President's name to give him some  
18 importance or give him some protection or whatever, and  
19 my recollection is that Gregg essentially ended that part  
20 of the conversation by saying something to the effect well,  
21 the next time I see Felix I will communicate with Felix he  
22 had better knock that sort of stuff off.

23 [REDACTED] who was there, head of the Central  
24 American Task Force at the Agency, came in and said something  
25 to the effect that the private donor operation, this was

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1 typical of the private donor operation, amateurs,  
2 doing work that could really only be done by professionals,  
3 and that this sort of thing would be overtaken and  
4 reserved by our getting 100 million in the Congress, which  
5 at that point in time we were all assuming was going to  
6 happen fairly soon, and that this would drive the amateur  
7 operation out of business, and thank God that that would  
8 be the end of it.

9 I recall some conversation about the fact that  
10 the operation that Rodriguez was involved in was using  
11 terribly worn down aircraft, and it was only a matter of  
12 time before they all fell out of the sky and some  
13 reference to the fact that Rodriguez was perhaps thinking of  
14 trying to underload this equipment on the program once  
15 it started.

16 [REDACTED] said that this was a very bad idea,  
17 indeed that list of eligibility sources indicate that the  
18 equipment was well beyond the end of its natural life,  
19 and that under no circumstances would the Agency touch  
20 that stuff if and when they came into running the \$100  
21 million program.

end mas  
jm fls

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1 Q Go ahead. Let me see, why don't I ask you some  
2 specific questions here.

3 Do you recall hearing that Felix Rodriguez was  
4 concerned about other people who were involved in the private  
5 operation and names being brought up that were of unsavory  
6 characters?

7 A If that was mentioned, I don't remember it.

8 Q Do you recall the names of General Secord  
9 and Thomas Clines coming up as people who were involved in  
10 the operation which caused Don Gregg and others some  
11 concern?

12 A No, I do not.

13 Q Did the names Secord and/or Clines mean anything  
14 to you?

15 A They meant nothing to me at that time and to this  
16 day I am not sure who Tom Clines is. I obviously know who  
17 General Secord is from his recent television appearances.

18 Q In other words, if you had heard the name General  
19 Secord back then, it may not have stuck in your mind as  
20 something you could recall now six or eight or ten months  
21 later?

22 A That is correct.

23 Q Do you recall a concern that the private group of  
24 people who own these assets were hoping to have the agency  
25 purchase their assets with the \$100 million new legislation

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1 and a concern that this would be a total ripoff to reimburse  
2 these people for this junk?

3 A Yes, that is what I was referring to earlier.

4 Q In other words---

5 A In terms of [REDACTED] saying no, no, we are not  
6 going to do that, it is junk.

7 Q What he was referring to was the possibility of  
8 having the agency purchase this stuff?

9 A I assume so, since at that time we were all of a  
10 mind that agency would run the \$100 million program when  
11 it kicked in and whether or not that was specifically said  
12 by [REDACTED] I don't know, but since he was saying no, no, no,  
13 I assume he was talking on behalf of the potential purchaser  
14 saying no, we don't want that equipment to be used in the  
15 new program because it is junk.

16 Q Do you recall Don Gregg or anyone else stating  
17 that his information was that the contras were being ripped  
18 off by several of the private people down there in the  
19 prices they were being charged for some of the equipment they  
20 were buying.

21 A No, I don't recall that.

22 Q What about specifically the fact a reference  
23 being made to three-dollar grenades being sold for nine dollars  
24 to the contras?

25 A I have no recollection of that.

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1 Q I asked this last time, did you have any  
2 impression that Don Gregg had just met with Felix Rodriguez  
3 a few days before this meeting?

4 A I had no such impression.

5 Q From your independent recollection, it sounds like  
6 that it was Don Gregg who was being presented with this  
7 and saying yes, I confirm the fact he knows Felix Rodriguez?

8 A That is my distinct impression.

9 Q And it was your impression that the complaints  
10 were about Felix Rodriguez and his role with the private  
11 people as opposed to complaints by Felix Rodriguez about the  
12 private people?

13 A That is correct.

14 Q Do you recall what the outcome of the meeting was?  
15 Was there any decision made or task assigned in connection  
16 with this problem?

17 A The two outcomes I have already described. One  
18 was some judgment by Don Gregg that he would straighten  
19 out Felix Rodriguez in terms of dropping names in El Salvador  
20 that he shouldn't be dropping, and two, the [REDACTED]  
21 assurance that this sort of make-shift operation would  
22 disappear when and if the \$100 million U.S. Government  
23 assistance program kicked in.

24 Q I mentioned the names of General Secord and  
25 Tom Clines. Do you recall the name of Raphael or ChiChi or

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1 Ralph Quintero coming up?

2 A No, I don't.

3 Q Is that a name that would ring any bells anywhere?

4 A No, it doesn't.

5 Q Do you recall any reference being made to a person

6 named Ed Wilson, who achieved some notoriety a few years

7 ago by training Libyans and selling ex-supplies to Qadhafi?

8 Do you recall that name being raised at this meeting?

9 A I know the name Ed Wilson. I know what he  
10 signifies. I have no recollection of his name being raised  
11 in this meeting.

12 Q Let me go back.

13 A I can say one other thing?

14 Q Please do.

15 A All through this meeting, as I think I have  
16 described, with some other meetings that I attended, I wasn't  
17 terribly sure why I was there. I wasn't terribly sure I  
18 knew some of the things that were being discussed about  
19 names, that sort of thing.

20 After the meeting I found out that Ray Burkhart  
21 had a similar disconnect.

22 Q As a matter of fact, he told you something to the  
23 effect; what was that all about?

24 A After the meeting he asked me sort of what was that  
25 about, and we sort of agreed that we didn't quite know what

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1 was going on.

2                   Maybe there were others there in the same boat,  
3 I don't know.

4           Q       What about the Ambassador, did you discuss the  
5 meeting with him after you all left, what his impressions  
6 were?

7           A       No, I guess I can only assume now he was going  
8 off to the rest of his schedule and I went back to my office.  
9 I don't recall ever discussing that meeting with him again.

10          Q       Go ahead.

11          A       No.

12          Q       A while ago I had made reference to the fact that  
13 Ambassador Duemling had kept some RIG notes. In that same  
14 RIG note which I just located, the date was October 1st,  
15 1985, there is a reference in this note to Ollie North bringing  
16 up the name of Felix Rodriguez at this RIG meeting as early  
17 as October of 1985. Does that jibe with your memory as you  
18 sit here as to when Felix Rodriguez became a name that was  
19 associated in any way with the contra effort in Central  
20 Amercia?

21          A       I have no recollection of hearing that name Felix  
22 Rodriguez and associated it with anything prior to the  
23 meeting in Don Gregg's office in August of 1986.

24          Q       What about the name Max or Maximo Gomez?

25          A       Similarly, no recollection of that name until

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1 the Hasenfus downing of the plane and he mentioned someone  
2 named Max Gomez. I had never heard to this date Maxi~~NO~~ Gomez  
3 in connection with being the same person as Felix Rodriguez.

4 Q This RIG note reference is the fact that Ollie  
5 North said something about anybody who wanted to talk to  
6 Felix Rodriguez, AKA, Maxie or Maxi~~NO~~ Gomez, could use the  
7 phrase "Mr. Green sent me," sounds like something out of a  
8 cheap spy novel. Do you recall any such discussion of that  
9 at a RIG meeting?

10 A I swear no.

11 Q Actually the words were "Mr. Green said to call."

12 A No.

13 Q Well, I know these are going to be some broad  
14 questions, but everyone seemed to have had pretty good  
15 suspicions throughout the second part of 1985 and all through  
16 1986, that Ollie North was awfully active in Central America  
17 and was engaged in unspecified things that people seemed  
18 to wonder about. There were press reports in August of  
19 1985 that accused him of being a master mind of military  
20 planning for the contras, so there was a lot of publicity  
21 Ollie North was getting and a lot of general suspicion by  
22 various people about him and his activities. As a Deputy  
23 Assistant Secretary for Central America, it would seem that  
24 you would be somebody who would have some level of curiosity  
25 about that subject. What can you tell us about your impression

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1 of Ollie North and his activities throughout that time  
2 period?

3 A As I mentioned earlier, I came aboard after the  
4 \$27 million had been approved in humanitarian assistance.  
5 The very first day I was in the office, I was told to go to  
6 a meeting in Jim Michael's office in which some of the Central  
7 American mayors were going to discuss how we might set up  
8 a structure, what sort of structure, where, who would be  
9 on it, to administer the \$27 million program.

10 I walked in and was introduced for the first time  
11 to [REDACTED] and to Oliver North and there might have been,  
12 Jim Michael was there, there might have been one or two <sup>of the</sup> ~~other~~  
13 mayors. They had started a conversation dealing with how  
14 to administer the \$27 million.

15 I walked in a total blank page as <sup>to</sup> ~~at~~ all of the --  
16 and by the end of the meeting the decision had been reached  
17 that the structural, the office that was going to be set  
18 up to administer the \$27 million was going to be in the  
19 National Security Council and it was going to have a certain  
20 form, it was going to have certain people in it, and a local  
21 number of decisions were made as to how the program would be  
22 administered.

23 A day or so later I was told to go up on the Hill  
24 and brief some of the committees that had been involved in  
25 voting for this assistance and to tell them how we were

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1  
2 coming along in the planning.

3           The first meeting I was sent up to brief was  
4 chaired by Jack Brady who was the Chief of Staff of the House  
5 Foreign Affairs Committee. I remember when I got to the  
6 part where this office was going to be placed in the National  
7 Security Council, that Jack Brady and the other staffers  
8 in the office started laughing and said, we see what you  
9 are trying to do, you are going to put that \$27 million in  
10 Ollie North's shop, he is going to really run with it.

11           When I left the meeting, I remember wondering what  
12 I had gotten myself into. I felt like an idiot because I just  
13 didn't know why this was so funny to everybody, and went back  
14 to the department and told Jim Michael and Elliott Abrams  
15 and others that this was going to have a very tough time up  
16 on the Hill putting it in the NSC.

17           They seemed to think that was synonymous with  
18 going to Ollie North and everyone seemed to think he was doing  
19 things that were aiding the contras and they weren't going to  
20 buy that..

21           We went back to the drawing board and came up with  
22 what was eventually a sort of semi-autonomous state office  
23 manned by mostly people from State and AID, and a few outsiders.

24           Through that process, I kept coming up to the  
25 Hill to brief on how it was shaping up and people kept warning

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1 me about letting Ollie be too close to this. From the  
 2 beginning I assumed that people had this sort of feeling  
 3 toward Ollie North. In the meantime I am meeting with him  
 4 in various context a couple of times a week, RIG meetings,  
 5 IG meetings, SIG meetings, and from everything he is  
 6 saying, from everything he is doing in these meetings,  
 7 he is impressing me with the fact that he is doing no more  
 8 than he can in terms of support for the contras, the resistance.

9 By no more than he can, I mean he is, if -- if  
 10 people come to him and ask him if they can support the contras,  
 11 he would give them an answer that would not indicate that he  
 12 was involved in aid to the contras. He would give them a  
 13 general answer. I think several times I heard him express,  
 14 I don't remember if it was the beginning or the middle or  
 15 near the end, he would express the fact that he was doing  
 16 nothing that was against the law, that everything he was  
 17 doing was in conformity with the various restrictions  
 18 placed on government officials doing things.

19 Q Let's stop there. Let me just interrupt your  
 20 train.

21 Did he ever indicate he was running close to the  
 22 edge or walking close to the edge of permissible conduct?

23 A I can't remember any specific comment to that  
 24 effect, although my assumption was that, yes, he would be  
 25 out there doing whatever was permissible but nothing not  
 permitted.

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1 Q Go ahead.

2 A As I was briefing staff, committee members, on  
3 the Senate side, trying out the different arrangements  
4 we were hoping to put together, in that give and take I  
5 was finding out that not only was it a very complicated,  
6 cumbersome, difficulty to administer \$27 million, but that  
7 many people up here on the hill had differing opinions on  
8 what was humanitarian assistance, what could we do to get  
9 it to them, where could we put people, what sort of  
10 controls would have to be in place.  
11 I remember asking a group of staffers who all  
12 claimed they would be involved in the floor debate where the  
13 figure, \$27 million, had come from and even had a different  
14 recollection of why that figure was chosen, and yet  
15 they in turn were asking me is \$27 million enough.

16 "Is that too much? Is that not enough?" And  
17 my distinct impression was that no single person really  
18 quite knew with total precision what was permitted, what  
19 was not permitted. We were going to have to go back to the  
20 committees and make a request when we could do this or that  
21 as we went through the program.

22 There were infinite number of questions<sup>o</sup> about  
23 if you buy the boots, can you pay for the transportation?  
24 If you pay for the transportation, can you pay for it just  
25 to the forwarding base or can you pay for it to go into  
Nicaragua. If the land is going in with a load of boots,

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1 can it also take something else? All these were questions  
2 that we would bring up to the intelligence committees trying  
3 to get guidance from them. These were questions that Bob  
4 Duemling was facing every day in bringing to the rig,  
5 via me or via Elliott -- this is probably why he took notes  
6 because he wanted to have fairly precise instructions.

7 In that context, yes, I was curious as to what  
8 North had done in the past because in the past he had been  
9 much more active <sup>than</sup> ~~and~~ in what his present role was, but  
10 nothing he said or did indicated to me that he was doing  
11 anything more than learning, giving moral support to the sort  
12 of people who were trying to help resistance fighters, which  
13 he considered had been blessed by Congress in terms of  
14 the \$27 million that we were back in the business of  
15 helping them with human assistance.

16 Q Okay, fair enough.

17 How many trips did you take to Central America  
18 in which Ollie North was also a fellow traveler? That is  
19 not a good question.

20 How many trips did you take where he was along?

21 A I would have to go back and check vouchers and --

22 Q Roughly.

23 A I would say four or five.

24 Q Tell me what you can recall in very general  
25 terms about each of those, how many of those were large

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bp-3

1 entourages of people going through several places, how many  
2 of those were that?

3 A Let's put it this way. I only made one trip with  
4 Ollie North, the two of us. All the other trips I made  
5 with him were in the context of groups most often doing  
6 the multicountry stops, most often down in a day or two,  
7 so you are talking about two or three hours in each of  
8 the Central American <sup>COUNTRIES</sup> ~~countries~~.

9 So you are talking if we made five trips, if I  
10 made five trips with them, four of them were of the big  
11 variety and one was of the individual variety.

12 Q Did any of the larger trips concern policy matters  
13 or meetings regarding the Nicaraguan resistance as opposed  
14 to bilateral discussions with various countries?

15 A Well, the big trips were generally to take the  
16 rig down to Central America. The best example of that was  
17 a week or two after John Poindexter became new national  
18 security adviser, it was thought it would be good to expose  
19 him to Central America and Central America to John  
20 Poindexter.

21 It would demonstrate the high priority that  
22 Central America would be assuming in John Poindexter's  
23 work plans and that was Panama, Costa Rica, Honduras,  
24 maybe one or two countries. We did ~~four countries~~ in 24  
25 hours.

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1                   The most typical stop-over would have been to see  
 2 the ambassador for the country team out there to tell us  
 3 what the situation was in terms of the hospital, the  
 4 country and since all of those countries with the exception  
 5 of Panama had some direct relationship to the Nicaraguan  
 6 problem that was obviously a subject of discussion virtually  
 7 every stop.

8           Q       In the series of meetings in which John Poindexter  
 9 was involved, that particular series of meetings, were you  
 10 present for any discussions between Admiral Poindexter  
 11 and other people concerning a request that the various  
 12 countries do certain things to aid the contras?

13           A       No.

14           Q       Asking for them to facilitate in some way, for  
 15 example, through end user certificates or sales of weapons to  
 16 the contras, anything like that.

17           A       No. Again, from the perception of my involvement  
 18 which had to do with the humanitarian assistance, there  
 19 were questions about whether <sup>humanitarian</sup> ~~humanitarian~~ assistance could

20 [REDACTED]  
 21 for that matter. If there were any references in any  
 22 conversations during that trip about aid to the resistance,  
 23 anything that I heard had to do with [REDACTED]

24 [REDACTED]  
 25 [REDACTED] our getting the \$27 million in

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1 assistance to the contras.

2 Q Now the one trip you took down with just Lieutenant  
3 Colonel North, did that trip -- first, where was it to?

4 A [REDACTED]

5 Q Did that trip have anything to do with matters  
6 concerning the Nicaraguan resistance?

7 A Again, I would have to go back and look at the  
8 timing of the trip and right now I have absolutely no  
9 recollection when we made that trip, but it came after  
10 something that shook [REDACTED]

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Q Can I stop for a second? Let me give you two  
possibilities, and see if either one of them ring a bell.  
In October of 1985, the problem came up with the press people  
on board the NHAO flight [REDACTED]  
[REDACTED] caused a major problem  
which ramifications lasted for several months.

In April, March, April of 1986, the Congress  
voted originally voted down the \$100 million, in  
legislation, and there were some trips, but I believe  
Secretary Abrams went down [REDACTED]  
[REDACTED] and then in the midst of that trip, the Sandinistas  
crossed the border, [REDACTED]

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1                    Could it have happened on either one of those?

2                    A        It could have been the first. I am by no means  
3                    certain, but it could have been the first because my  
4                    recollection as of now is that it was well before the second  
5                    one you mentioned, because I also went on that trip which was  
6                    a collection of people including Armitage, Elliott,  
7                    I think North was there. I am not absolutely sure--  
8                    The earlier trip with North it could have been your first  
9                    reason

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(Recess.)

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BY MR. SMILJANICH:

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Q        Back on the record.

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We were talking about the one trip you took  
down with Oliver North. During the course of that trip,  
this is probably the longest time you ever spent just with  
Oliver North. You probably had more chit-chat with him  
in that one time than probably any other time.

In the course of that trip, did you learn anything  
about what he was up to, that added to or subtracted from

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1 what you thought before the trip.

2 In other words, did he talk about any of his  
3 activities?

4 A We talked. We flew commercial both ways so we  
5 had a total of five or six hours seated next to each other.  
6 My memories of those conversations revolved around why he  
7 was in the Marine Corps, his family situation, his  
8 relationship with Bud McFarlane.

9 Q How did he describe that?

10 A He told me about the NSC being probably the end of  
11 his Marine Corps career because the Marine Corps didn't  
12 like him to go off and do jobs like such as what he had  
13 at the NSC. The proof of this had been Bud McFarlane  
14 as national security adviser being passed over by the  
15 Marine Corps and leaving as a lieutenant colonel.

16 He thought the same fate was awaiting him, that  
17 Bud McFarlane was trying to help, giving him good efficiency  
18 reports or whatever the name is in the Marine Corps, but  
19 that Bud McFarlane had left the Marine Corps somewhat  
20 embittered and was always giving him advice as a man that  
21 Bud McFarlane knew was a good Marine and wanted to remain  
22 a Marine.

23 He talked a bit about his experiences in Vietnam  
24 and whence came his feelings about the contras and helping  
25 people who were fighting Communism. That sort of thing.

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1 He told me a great deal about his family.  
2 I was just a few months into the job and very concerned  
3 about his relationships with my wife and my kids and  
4 buying houses and being in debt, and he was telling me  
5 about how he had worked some of these things out.

6 Q Some personal matters.

7 A Yes, a lot of that. I don't recall any  
8 conversations about his extracurricular activities with the  
9 contras. He told me things about-- I think I remember him  
10 telling me at that time the first time I recall hearing the  
11 name Rob Owen, and what a fine young man this guy was,  
12 a Stanford degree and all this kind of stuff and someone  
13 who had worked with him and was now maybe someone who  
14 should work with know-how.

15 Q This does help place the timing of the  
16 conversation.

17 A Yes, it was back about probably --

18 Q Early October.

19 A November, something like that, yes.

20 He did tell me about someone who was a senior  
21 enlisted man in the Marine Corps, I believe, someone he  
22 had known for years, who had terminal cancer, but was  
23 such a patriotic American that he had just volunteered  
24 to go down [REDACTED]

25 [REDACTED] to sort of help get

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1 the supplies through to the contras. At that point I assume  
 2 he was talking about helping the humanitarian supplies get  
 3 through. And it was that sort of conversation. Nothing  
 4 more specific.

5 Q Did he put a name for that person?

6 A He did, but I don't recall it.

7 Q Does the name William Haskel ring a bell?

8 A No.

9 Q Robert ~~Olmstead~~<sup>Olmstead</sup>?

10 A No.

11 I am not sure I would know it if I heard it.

12 Q One last question. Let me go back one more time  
 13 to the August meeting in Don Gregg's office. Off the  
 14 record.

15 MR. SMILJANICH: On the record.

16 BY MR. SMILJANICH:

17 Q I had asked you the name Ed Wilson or  
 18 Edwin Wilson Terpil Group had come up, and you said you had  
 19 no recollection of that.

20 A That is correct.

21 Q Let me ask you this: knowing that those names  
 22 did have some association in your mind with some sort of  
 23 very dramatic negative aura about them, would it be fair to  
 24 say that if those names had come up in association with  
 25 this group of people supplying or assisting in the contra

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1 logistics, that is something you probably would remember if  
 2 that were said, and so it is your best recollection at  
 3 the time that that wasn't said because you would probably  
 4 have remembered it. Is that fair?

5 A That is fair. I have read the popular press stories  
 6 of Ed Wilson and the <sup>Lipson</sup> ~~Lyssa~~ connection, and all that  
 7 dramatic stuff. I am almost sure that if his name had come  
 8 up, because at this point in time he was either in jail or  
 9 about to go to jail for some of the things he had done, if  
 10 I had heard anyone's name who I knew was a convicted  
 11 felon having association with the program that I was  
 12 dealing with, I would hope to God it would have stuck in my  
 13 mind.

14 I have no recollection of his name coming up.  
 15 The other fellow, Terpil, I don't know about.

16 Q I think that is all the questions I have.

17 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

18 BY MR. TRAYLOR:

19 Q I have one question. Do you recall, Mr. Walker,  
 20 when we last met we showed you two documents. They were  
 21 both dated October 15, 1986, and ~~the~~ essentially were from  
 22 Richard Miller, one transferring \$10,000 to American  
 23 Security ~~Trust~~ <sup>in the</sup> Trust Bank ~~State~~ Department in your name,  
 24 and the other canceling that transfer, and we asked you to  
 25 explain or if you knew anything about that, could you

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1 could you relate your knowledge of those two cables?

2 A Right. First a preface: I didn't recall until  
3 you just mentioned that Richard Miller's name was  
4 associated with those two cables.

5 I didn't know Richard Miller's name until recent  
6 events have put that to my memory bank. But, what  
7 I know about those two cables although I never saw the two  
8 cables until you showed them to me a few weeks ago, is  
9 the following: after the Hasenfus plane went down, we  
10 not only had an American citizen captive in Managua, we  
11 also had the body of two American citizens.

12 Q Those names were?

13 A Throw them at me.

14 Q Sawyer and Cooper.

15 A Yes.

16 The Sandinistas held a press conference, held  
17 up documents to the cameras, that indicated that these were  
18 two American citizens. A fellow named Bill Scofield,  
19 who works for Rick Melton, he was sort of a half-time Belize  
20 desk official, and half-time Nicaraguan desk official,  
21 was contacted by the relatives of these two Americans and  
22 the question arose about the repatriation of the remains of  
23 the two Americans.

24 In the meantime, in Managua, we had exchanged  
25 several notes with the Nicaraguan government -- who started

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1 the series I can't remember. They came in and protested  
2 an American crew plane flying over Nicaragua and helping  
3 the contras. We came back and were asking for consular  
4 access to Hasenfaus, because that was a big issue the  
5 first days.

6           Would he have a lawyer? Would they put him on  
7 trial? Could we send down an American lawyer, this sort  
8 of question, and we were demanding consular access. We  
9 were also mentioning in these notes that we understood  
10 they were claiming they had the remains of two Americans,  
11 and essentially what were we going to do about them.

12           One day not too long after the crash, they notified  
13 our embassy in Managua that they would be delivering the  
14 bodies to the embassy and they proceeded to do so. They did  
15 so by bringing them down in the back of a truck. They had  
16 already pre-positioned a crowd out in the front of the  
17 American embassy that was sort of protesting the Hasenfaus  
18 flight, and U.S. government involvement therein, and this  
19 truck that came up with the bodies could not--  
20 Sandinistas later claimed could not get close to the  
21 embassy, so they just took the two coffins off the back  
22 of the flat bed and sort of carried them through the mob  
23 and just put them at the door of the embassy.

24           The embassy was then confronted with the question  
25 of what can we do with these bodies. In the meantime, as

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1 I said before the relatives were asking for the return of  
2 their relatives.

3 As I understand, funeral homes in Nevada and  
4 wherever the other fellow was from were calling the  
5 Department saying they had been retained by the families  
6 to take care of the body once they got to the States.  
7 When are they coming, this sort of thing.

8 We had the problem of having no idea of who was  
9 responsible for the Hasenfaus flight. Normally in the  
10 cases of Americans who die overseas, the first thing  
11 the consular official has to do is find out who the  
12 relatives are back home, or who is going to pay the expenses  
13 of shipping the bodies back, this sort of thing, and  
14 there is a normal exchange of cables that takes place.

15 In this case, we had the pressure off the bodies  
16 actually being in the embassy, and at some point in these  
17 very, very hectic days, the first days after the shoot-down  
18 someone, I believe it was Elliott Abrams, contacted Ollie  
19 North.

20 Q Why did he contact Oliver North? I am curious  
21 as to why North was contacted.

22 A I assume it was the same sort of query we were  
23 trying to make to General Singlaub, which I mentioned  
24 earlier. We were trying to contact-- we thought at first  
25 he might be in town. We found out he was in the Philippines.

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1 We were trying to contact him without success to find out  
2 if he had anything to do with it. If we had reached him  
3 and he said, yes, we would have said, "Are you willing  
4 to foot the bill for getting the bodies back?" That  
5 channel went nowhere.

6 As to why Elliott thought he should call Ollie,  
7 I don't know. I presume it had something to do with  
8 maybe Ollie might know. Whatever, that took place. I  
9 got home late that evening, and while eating dinner and  
10 getting to know my children again, the phone rang and I  
11 took the call, and a female in a very low and mysterious  
12 voice said something to the effect, "Mr. Walker?" "Yes?"  
13 "Hi. I represent the employers of Sawyer and Cooper.  
14 We understand there are expenses involved in bringing  
15 their remains back to the states. We will pay for them. We  
16 will send \$10,000 to the State Department tomorrow in your  
17 name."

18 And I said -- she must have asked me what is your  
19 room number or something -- and I said, "Wait a minute.  
20 Don't send me \$10,000. That is not the way it happens.  
21 This is suppose to go through Consular Affairs." And  
22 she said, "How should I do it?" I said, "I understand  
23 Consular Affairs has an account in the American Security  
24 Trust Company, the bank in the State Department. I don't  
25 know the number. I don't know anything other than I have been

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1 told that they have an account there for this sort of thing."  
2 And she said, "Okay, I will send the check, but with your  
3 name on the envelope or something, and you can tell them  
4 tomorrow that this is coming in for the Hasenfaus thing."

5 I said, "Well, you know, usually we know exactly  
6 what the cost is. The Consulate tells us what the exact  
7 fee is. That is what we have. Ten thousand might be  
8 enough. It might not be enough. It might be too much."  
9 She said, "I have been told to tell you if there is any  
10 extra money that you can use that for the Hasenfaus family."  
11 And I said, I asked her a couple of questions. She  
12 said she didn't know any further answers, but the money would  
13 come the next day.

14 To me it seemed like a way to get the money to  
15 pay for the repatriation of the remains and funeral or  
16 whatever. The next day when I got to work, I got together  
17 I believe with Rick Melton, and with Bill Scofield and told  
18 them about this mysterious call. One or the other checked  
19 with the Bureau Consular Affairs to see if this would work,  
20 and this answer came back and said, no, that is irregular  
21 and a check coming in under these circumstances that is  
22 not the way we do it.

23 I guess we told Elliott this and he said something  
24 to the effect, well we had better go back to Oll~~is~~ because  
25 apparently my call to Oll~~is~~ precipitated this mysterious call

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1 to you. Maybe we can go back to Ollie and tell him  
2 this will not work. That was done, I don't remember  
3 quite how, either Elliott or I or maybe Bill Scofield called  
4 up Ollie's office and sort of said, you know, whoever  
5 it is that is sending the \$10,000 check in care of William  
6 Walker, that is not going to work. It is too far out of the  
7 Consular Affairs procedures for it to work, and that was  
8 the last we heard of it.

9 Q Did the female that called you state her  
10 name?

11 A I don't believe so.

12 Q Did you ask her?

13 A I believe she gave me some title of an organization  
14 which had something to do with Friends of the Freedom  
15 Fighters or something like that. It was a title that  
16 I forgot by the end of the phone call that it was.

17 Q It was a--

18 A Not a name I had ever heard before or ever  
19 heard since.

20 Q Did she identify who the employers of Sawyer  
21 and Cooper were?

22 A No, other than this sort of name which sounded  
23 phony, and I suspect was phony.

24 Q Did you ever have any subsequent conversations with  
25 North about this mysterious call that you received?

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1           A       No, not that I recall.

2           Q       I don't have any further questions.

3           A       For the record, the sort of question of paying  
4       the expenses of the repatriation and delivering the  
5       bodies to funeral homes in the two locations where the bodies  
6       went, was unresolved for months and months afterwards.  
7       The funeral parlor in Nevada called several times, I  
8       guess, and talked to Bill Scofield about, "Hey, we  
9       did this. You told us that payment was coming, and  
10      it hasn't happened, or part of it hasn't happened."

11                   The Consular Affairs Bureau was upset because  
12      we had told the embassy you have got to ship those  
13      remains out of there and of course Eastern Airlines or  
14      whatever airline they used presented a bill to the embassy.  
15      We questioned how do we pay for them, and under normal  
16      circumstances even, abnormal circumstances, the Bureau  
17      of Consular Affairs does not have its own fund to do this  
18      sort of thing. It is usually paid for by the family, but  
19      these were such unusual circumstances, i.e. the bodies  
20      actually being in the embassy, that the way it came out was  
21      the way it came out.

22           Q       One final question. Did you ever hear any  
23      rumors throughout this timeframe from the time that you  
24      came to ARA, all the time that you knew North, about  
25      North's activities?

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1           A       I guess it depends on what you mean North's  
2 activities?

3           Q       His activities in Central America and in the  
4 Middle East. There were a lot of rumors throughout the  
5 State Department in different areas about his activities  
6 that he was involved in helping the resistance fighters  
7 in Nicaragua and that he was doing something via the hostages  
8 and arms to Iran.

9           A       Okay, arms to Iran zero, no knowledge whatsoever  
10 that he had, that there was a arms to Iran deal before the  
11 revelation of last October and November.

12                   The hostages, I heard about various things,  
13 maybe including things that Ollie himself might have said;  
14 that he was involved in counterterrorism sort of things  
15 in the Middle East, in Europe. By what method, I know not.  
16 I understood that he was involved in the Achille Lauro  
17 operation. Can I give you a vignette? The trip took with  
18 Oliver North [REDACTED] the IG/RIG said it would be a good  
19 idea to go down [REDACTED] I was chosen  
20 to go from the State Department. Oliver North was chosen  
21 to go from the NSC.

22                   I went to the National Airport at 8 o'clock  
23 in the morning to catch the Eastern flight to Miami. There  
24 was some problem with my GTR. In the meantime I am telling  
25 the agent, there are two of us on the plane. "We want

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1 seats together. He is not here yet. His name is Colonel  
2 North. Please save two seats."

3 He goes into his computer and says, "No,  
4 there is no Colonel North on this flight." And I  
5 said, "There must be." First, I am screwed up in my  
6 GTR. "You are not sure. Can you tell me? You are  
7 telling me he is not on the thing?"

8 He said, "Don't worry. It is a half-full flight,  
9 but there is no Colonel North". Ollie appears out of the  
10 airport with his bag on his shoulders, looking somewhat  
11 unkept and he had just gotten off a flight from Europe,  
12 had been flying all night. And he is somewhat discombobulated  
13 to find out he is not in the computer, and he says, "I  
14 bet my secretary made it in my name. Try Good<sup>e</sup>/or something."

15 Q Bill <sup>Goode</sup> ~~Good~~?

16 A Yes, sir, and I think he even threw out a third  
17 name. The guy clicks on.

18 Q Green?

19 A So Ollie had to change his passport and hand up  
20 another passport and I remember saying this guy plays in  
21 the big leagues. He comes in from Europe and there was  
22 something like Achille Lauro going on at that time, and I  
23 assumed he was coming from that and had flown all night.

24 The other thing I had seen him the day before when  
25 we got assignments that meant between the time when I saw

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1 him and the next morning, he had flown to Europe, flown  
2 back and the only thing that got even discombobulated  
3 was that Fawn had made the reservation in the wrong  
4 name.

5           Anyway that is my vignette. Yes, I knew he was  
6 involved in other things, and in other parts of the world  
7 and for some reason I had picked up it had to do with -- I  
8 also remember at one point trying to clarify with Ray  
9 Burkhart, who Oliver North was in the context of the NSC's  
10 Latin American operations, and Ray Burkhart is a Foreign  
11 Service <sup>officer</sup> ~~over~~ on loan to the NSC. He had the title of  
12 Special Assistant or something to the President or to the  
13 National Security Adviser for Latin America, and I remember  
14 asking him does Ollie work for you. He is always going to  
15 Central America, seems to know a lot of Central America.

16           And Ray sort of implied, "Yes, he does, but  
17 he is a little hard to hold down, and he does other things,  
18 and therefore it is sort of overlapping unclear  
19 relationship with me and him, but I am really his boss."  
20 Later I believe it was on the trip that I made with him  
21 so it must have been the early thing in October, November.  
22 I remember trying this out on Ollie -- do you work for Ray  
23 Burkhart? And that greatly upset him. Greatly upset him.  
24 And he said, "Hell, no. I have got a whole platter full  
25 of things, and even when I am involved in Central America,

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1 it has got to do with my other matter. It really  
2 isn't sort of under Ray Burkhart."

3 There was<sup>a</sup> certain distance between those two  
4 guys first, evident by his reaction to being asked if he  
5 worked for Ray Burkhart. So, surely I knew he did other  
6 things.

7 Q Thank you, Mr. Walker.

8 MR. SMILJANICH: That will conclude the  
9 deposition. Thank you.

10 (Whereupon, at 6:30 p.m., the deposition was  
11 concluded.)

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Stenographic Transcript of

HEARINGS

Before the

**ORIGINAL**

SENATE SELECT COMMITTEE

# UNITED STATES SENATE

DEPOSITION OF SAMUEL J. WATSON III

PAGES 1 thru 32

Washington, D.C.

June 16, 1987

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DEPOSITION OF SAMUEL J. WATSON III

- - -

TUESDAY, JUNE 16, 1987

- - -

Ninth Floor

Hart Senate Office Building

Washington, D.C.

Deposition of Samuel J. Watson III, a witness herein,  
 called for examination by counsel for the Senate Select  
 Committee and, pursuant to notice, the witness being duly  
 sworn by SUSAN A. HARRIS, a Notary Public in and for the  
 District of Columbia, at the offices of the Select Committee  
 at 10:32 a.m. and the proceedings being taken down by  
 Stenomask by SUSAN A. HARRIS and transcribed under her  
 direction.

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APPEARANCES:

On behalf of the Senate Select Committee:

MARK K. BELNICK, Esq.

VICTORIA NOURSE, Esq.

On behalf of the House Select Committee:

CLARK B. HALL, Esq.

RICHARD J. LEON, Esq.

On behalf of the Witness:

JOHN P. SCHMITZ, Esq.

Deputy Counsel to the Vice President

ALAN CHARLES RAUL, Esq.

Associate Counsel to the President

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1  
2 Whereupon,

3 SAMUEL J. WATSON III,

4 a witness herein, was called for examination and, having  
5 been first duly sworn by the Notary Public, was examined and  
6 testified as follows:

7 EXAMINATION BY COUNSEL FOR THE SENATE

8 SELECT COMMITTEE

9 BY MR. BELNICK:

10 Q State your name for the record.

11 A My name is Samuel J. Watson.

12 Q Your position in the government?

13 A My position is deputy assistant to the Vice  
14 President for national security affairs.

15 Q A member of the United States military as well?

16 A Yes.

17 Q Rank?

18 A Colonel, United States Army, active duty.

19 Q Colonel Watson, how long have you been the Vice  
20 President's deputy national security adviser?

21 A Approximately one and a half years, beginning, I  
22 believe it was, November 7th, 1985.

23 Q And from that time to this you have reported to  
24 Donald Gregg?

25 A I have.

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1 Q Your office is in the same suite as his at the  
2 OEOB?

3 A Yes, they are.

4 Q What are your duties as deputy assistant to the  
5 Vice President for national security affairs?

6 A My duties include the normal things that a  
7 deputy does: backing Don Gregg up, filling in for him when  
8 he is not available in meetings; and then I have specific  
9 responsibilities for managing the office; some personnel  
10 and logistical things. Substantive issues: the Soviet  
11 Union, arms control, Europe, Western Hemisphere, Latin  
12 America, Central America, international economics,  
13 international organizations, and some other things which are  
14 in the bottom of my file cabinet.

15 Q It sounds like a full plate.

16 A Yes.

17 Q So matters relating to Nicaragua and the contras  
18 would fall within your bailiwick?

19 A Clearly.

20 Q What responsibilities specifically in outline  
21 form, if that is not a contradiction in terms, have you  
22 shouldered with respect to contras and Nicaragua in the  
23 last one and a half years?

24 A Well, I've taken it and assumed that it was my  
25 duty, that anything to do with Nicaragua or Central America

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1 that came through the office of the Vice President was of  
2 interest to us, because the Vice President is a principal of  
3 the NSC, the National Security Council. Dealing with the  
4 contras would be among my responsibilities.

5 Q : The same, of course, with respect to the war in  
6 El Salvador?

7 A The same there.

8 Q Let's talk a little bit about office routine. How  
9 frequently do you see the Vice President on a regular basis?

10 A Oh, I would say once or twice a week, when a  
11 visitor to the Vice President is coming through.

12 Q Do you sit in at those meetings?

13 A Prepare the Vice President, prepare the briefing  
14 memoes, and sit in on those, take notes.

15 Q Take notes of those meetings?

16 A If I think it is appropriate to take notes.  
17 Frequently I don't.

18 Q If you take notes, where do you keep them?

19 A I would keep them in either a notebook which I have  
20 occasionally kept or just on a piece of paper to stick in my  
21 file, or destroy them if nothing really significant came out  
22 of the meeting.

23 Q Do you typically do memoranda of meetings that you  
24 attend with the Vice President?

25 A No, I typically do not do a memo for the record.

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1 And unless there is some action requirement coming out of  
2 the meeting -- then I might do one, or if it is something  
3 that I think embassies or the Departments and agencies  
4 should know about, then I will do a memo for the record.

5 But most often, if it is a meeting with a foreign  
6 visitor the State Department will have someone there who  
7 will be the notetaker.

8 Q Aside from meetings with foreign visitors, do you  
9 have a regular time during the week that you brief the  
10 Vice President?

11 A I personally do not. If I were to have a matter  
12 to discuss with the Vice President, I would ask for an  
13 appointment with him or I would go with Don Gregg to the  
14 morning meeting that he has with the Vice President, usually  
15 at 8:15 in the morning, where the CIA comes in and briefs  
16 the Vice President.

17 Q Ordinarily you are not at that morning meeting?

18 A Ordinarily not.

19 Q You will be there if you are requested to be  
20 there or if you have made a request to be there?

21 A That's correct, or if Don Gregg is not in town  
22 and I fill in for him.

23 Q How long are those morning meetings ordinarily?

24 A 15 minutes.

25 Q When did you first meet Felix Rodriguez?

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- 1 A. In late December 1985.
- 2 Q. What was the circumstance?
- 3 A. The Vice President's office each year has a
- 4 Christmas party. Felix was a guest at the Christmas party.
- 5 I met him there.
- 6 Q. Who introduced him to you?
- 7 A. I precisely do not know. I suspect Don Gregg did,
- 8 but I cannot affirm that.
- 9 Q. Prior to that time, had Mr. Gregg told you anything
- 10 about Mr. Rodriguez?
- 11 A. I don't recall whether he did or not.
- 12 Q. Do you recall if prior to that time Mr. Gregg had
- 13 told you that Mr. Rodriguez was doing any work in Central
- 14 America?
- 15 A. Well, I don't remember whether Don and I talked
- 16 about Felix or not. So it's hard to answer that question.
- 17 Q. Let me mark this document as Watson Exhibit 1.
- 18 (The document referred to was
- 19 marked Watson Exhibit No. 1
- 20 for identification.)
- 21 Q. For the record, Watson 1 is a two-page document
- 22 bearing our numbers N-36451 and 36452.
- 23 Do you recognize the document?
- 24 A. I recognize the document as a summary that I made
- 25 in December 1986, trying to summarize from memory and from

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1 some notes I had of different contacts I had with Felix  
2 Rodriguez.

3 Q For what purpose did you prepare Watson Exhibit  
4 1, Colonel?

5 A Well, as this event unfolded and the Attorney  
6 General and others were beginning to conduct investigations  
7 and Felix's name became fairly public, I felt it would be  
8 a good idea if I tried to remember for my own purposes my  
9 different contacts with him and why I had contacted him.  
10 For no other purpose.

11 Q And did you submit these notes to the FBI, Watson  
12 Exhibit 1?

13 A Yes, I did.

14 Q The first contact listed is Decemger 20, 1985. Is  
15 that the occasion that you were just testifying about when  
16 you first met Felix Rodriguez?

17 A Yes, I believe that was the day of the Christmas  
18 party.

19 Q When do you recall learning that Felix Rodriguez  
20 had a mission in Central America?

21 A Well, we have since learned, since August 8th,  
22 that he had a different mission than the one I was  
23 introduced to him as the mission he had.

24 Q Well, let's start with the mission that you were  
25 first told about. Who told you about it?

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1 A. It probably came up in a conversation that Don  
2 Gregg and I had when, being new to the Vice President's office  
3 and not having worked Latin American affairs before, we  
4 discussed a familiarization and orientation trip for me to  
5 take to Central America.

6 And in the course of discussing that trip and the  
7 itinerary, Felix's name came up as someone I should probably  
8 contact or be in touch with, who was knowledgeable of  
9 counterinsurgency in the area.

10 Q That was a trip you took in January of 1986?

11 A That is true.

12 Q What did Mr. Gregg tell you about Felix's role in  
13 Central America at that time?

14 A That Felix Rodriguez was in El Salvador working  
15 with the Salvadoran military to try to counter the Marxist  
16 insurgency that was plaguing that Government, and he was  
17 working with the Salvadoran air force in helicopter  
18 operations which were called [REDACTED] operations, very  
19 similar to helicopter operations many of us, Don and I,  
20 were familiar with in Vietnam.

21 Q Had you served in Vietnam with Mr. Gregg?

22 A No, I never knew Mr. Gregg until I met him in  
23 the interview process.

24 Q Had you been in the military in Vietnam?

25 A I spent two years in Vietnam as an infantry

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1 officer.

2 Q Did Mr. Gregg tell you about his relationship with  
3 Felix Rodriguez in Vietnam?

4 A Don explained that he and Felix worked together,  
5 that Felix was one of his officers, that Felix conducted  
6 highly successful helicopter operations against the  
7 Vietnamese communist insurgents; and that he had a very  
8 good and trusting relationship, that he held Felix Rodriguez  
9 in high regard, found him to be a man of integrity.

10 Q Did Mr. Gregg tell you how it was that Felix  
11 Rodriguez happened to go down to El Salvador?

12 A I don't recall whether we discussed that.

13 Q Well, did you come to learn shortly after your  
14 trip or by the summer of 1986 that Mr. Gregg had in effect  
15 sponsored Felix Rodriguez's mission in El Salvador?

16 A Yes. At some point, whether it was on the trip  
17 in January '86 or whether it was during the spring, at  
18 some point Don -- I asked Don about Felix, more about him,  
19 after coming back, and he explained that Felix had been  
20 looking for work and had gone to El Salvador at Don's  
21 suggestion.

22 Q Did you know the name under which Felix was  
23 operating in El Salvador?

24 A Yes, I did. Max Gomez.

25 Q And Don told you that?

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1 A Yes, he did. Well, either Don or Felix. I do not  
2 recall.

3 Q Let us run through looking at Watson 1. These  
4 trips, January 19 to 21, or these contacts between you and  
5 Rodriquez. January 19 to 21, 1986, you were in El  
6 Salvador?

7 A That's correct.

8 Q You saw Felix Rodriguez at that time?

9 A That's correct.

10 Q He acquainted you with his work at the air base  
11 there?

12 A He did.

13 Q Did he tell you that he was doing anything on  
14 behalf of the contras?

15 A No, he did not.

16 Q At any time between January and the summer of 1986,  
17 did you come to learn, either from Felix or from any other  
18 source, that Rodriquez was performing any role whatsoever  
19 on behalf of or in support of the Nicaraguan resistance?

20 A No.

21 Q Your discussions with Felix, then, in January  
22 1986 pertained solely to his work in El Salvador?

23 A That's correct.

24 Q The next entry on Watson Exhibit 1 is April 1986,  
25 phone calls from Felix Rodriguez, subject helicopters.

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1                   What can you tell us about that?

2           A     The context of all of my discussions with Felix  
3     Rodriguez, with the exception of August 8th and thereabouts,  
4     were concerned with helicopter operations in El Salvador.

5     [REDACTED]  
6     [REDACTED]  
7           He had a small group of helicopters, I think they  
8     were Hughes 500 helicopters and light observation helicopters  
9     with guns and radios, and they were constantly breaking  
10    down. Poor maintenance, repair parts, that sort of thing.  
11    And Felix wanted some new helicopters.

12           So he would call me up and plead with me or ask  
13    me to use my position in the office of the Vice President to  
14    put pressure on the Pentagon to either give him new  
15    helicopters or get repair teams or repair parts to El  
16    Salvador.

17           So we discussed that January 19th to 21st. He  
18    showed me his broken helicopters, ones with bullet holes  
19    where his copilot had been shot, things like that, and  
20    described the problems with maintaining them.

21           Q     Again, exclusively about El Salvador?

22           A     Exclusively concerning his helicopters in El  
23    Salvador.

24           Q     Let me go back for a moment to your January 1986  
25    visit to Central America and ask you about a document that

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1 the reporter will now mark as Watson Exhibit 2.

2 (The document referred to was  
3 marked Watson Exhibit No. 2  
4 for identification.)

5 Q For the record, Watson Exhibit 2 is a four-page  
6 document bearing our stamp numbers N-36450 through 454, and  
7 the first page is dated December 16, 1986, memorandum for  
8 Craig Fuller, Marlin Fitzwater, Don Gregg, from Sam Watson.

9 Do you recognize this as your memorandum?

10 A I recognize it as a document I prepared.

11 Q On the date indicated?

12 A On the date indicated, and in the form that I did  
13 it.

14 Q There's a handwritten notation on the first page  
15 that appears to be: "This looks good. DG." Do I read that  
16 correctly?

17 A You do.

18 Q Is that a note from Don Gregg?

19 A That's Don's handwriting. That's his note.

20 Q Now, this pertains to the same visit to Central  
21 America during which you saw Felix Rodriguez in January 1986,  
22 right?

23 A Correct.

24 Q And the memo responds to questions raised [REDACTED]

25 [REDACTED] as to whether it was legal for you

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1 to visit FDN locations in [REDACTED]

2 A. That's correct.

3 Q. While you were in [REDACTED] did you come to learn  
4 about any of the resupply operations that were then in  
5 progress for the contras, January 1986?

6 A. Yes, I did. I visited the [REDACTED] airfield in  
7 [REDACTED] When I visited it, it was described to me as the  
8 base for the FDN, Nicaraguan Democratic Force, military  
9 force, the base from which they conducted their resupply  
10 operations.

11 Q. And who did you understand was involved in those  
12 resupply operations, based on what you learned in Central  
13 America?

14 A. My understanding was that the FDN, a colonel, I  
15 believe his name was [REDACTED] an FDN colonel, a contra  
16 colonel, was running that operation out of [REDACTED]

17 Q. Did you learn whether any U.S. government agencies  
18 or officials were involved in that resupply operation,  
19 indirectly or directly?

20 A. There were several, it may have been two, CIA  
21 officers at [REDACTED] They were there to advise the FDN  
22 air force on resupply techniques.

23 Q. Apart from that, did you learn of any other U.S.  
24 government involvement, either through individual officials  
25 or agencies?

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1 A. No, I did not.

2 Q Did you learn anything about the so-called private  
3 supply network that was assisting the contras in January  
4 1986?

5 A. No, I did not.

6 Q Prior to going to Central America in January  
7 1986, but subsequent to assuming your role with the Vice  
8 President, had you heard anything about the private contra  
9 resupply effort that was under way?

10 A. No, I had not. It was always the rumor around  
11 Washington that somebody was giving money to the contras,  
12 some other countries. That was in the Washington Post  
13 frequently. But I had no specific direct or indirect  
14 knowledge.

15 Q Did you ask anyone whether any of those stories  
16 about foreign countries' assistance to the contras were  
17 true?

18 A. Not in connection with this trip.

19 Q Let's forget about this trip. From the time you  
20 became employed as deputy assistant to the Vice President  
21 for national security affairs in November of 1985, straight  
22 through until the disclosures of November 1986, did you  
23 inquire of anybody as to whether there was truth to the  
24 stories that foreign countries were assisting the contras?

25 A. I may have, but I don't recall a date or a who.

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1 Q - Do you recall asking anyone?

2 A. I don't specifically recall asking anyone.

3 Q Did you ask Mr. Gregg?

4 A. I don't think so.

5 Q Did you ask anyone else?

6 A. Not that I can remember. I just never thought  
7 about that issue.

8 Q Do you recall whether you learned at any time  
9 prior to November 1986 that any countries had contributed  
10 moneys or materiel to support the contras?

11 A. Felix Podriguez on August 8th when he came to  
12 visit had a meeting with Don Gregg and myself, raised the  
13 issue. I believe he said [REDACTED] were contributing  
14 money.

15 Q Apart from that occasion, which we will get to,  
16 did you learn through anyone else about foreign countries  
17 giving moneys to the contras or materiel?

18 A. No, I did not.

19 Q At any time prior to August 8th, 1986, did you  
20 ask anyone about the private -- the efforts of private  
21 American citizens or a private network to supply the  
22 contras during the period that Congress had restricted  
23 American aid, U.S. aid, rather?

24 A. Only when I was in [REDACTED] and the [REDACTED]  
25 [REDACTED] and [REDACTED] talked about what they could

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1 do and not do, and they laid out for me that they could not  
2 do, that they could not provide materiel, moneys, supplies,  
3 go on combat operations, and they ran through that.

4 And on the other hand, they said they were allowed  
5 to give advice.

6 Q I am talking, though, about the private network.  
7 Had you heard at any point after November 1985 that there  
8 were private Americans who were engaged in helping the  
9 contras?

10 A I heard somewhere, whether it was a newspaper or  
11 whatever, that General Singlaub was involved, and that they  
12 were donating a helicopter at some point. I think it was  
13 early '86.

14 Q Do you remember -- and we will get to it -- that  
15 on August 8th, 1986, Felix Rodriguez provided certain  
16 details of American citizens who were down purporting at  
17 least to help the contras, correct?

18 A That's true.

19 Q Prior to then, had you heard about any private  
20 network of U.S. citizens that was engaged in resupplying the  
21 contras or facilitating contra resupply?

22 A Not as a result of my questioning or asking anybody,  
23 but it was in the air, in the atmosphere.

24 Q Surely you had heard the stories.

25 A Surely.

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1 Q - You were aware of newspaper stories, for example,  
2 in 1986, the first half of 1986, that Colonel North was  
3 somehow engaged in helping the contras in various ways?  
4 You were aware of stories to that effect?

5 A. I was aware of the stories, aware of the  
6 Congressional interest.

7 Q Aware that Congressional inquiries had been made,  
8 correct?

9 A. Correct.

10 Q Did you make any efforts to find out whether any  
11 of those stories were correct, were true or not?

12 A. I can't recall any specific inquiries to that  
13 effect. I made the assumption that somebody was contributing  
14 money because the intelligence reports daily said that the  
15 contras were in combat and they seemed to be an effective  
16 fighting force and getting supplies from somewhere. And  
17 without inquiring, I made the assumption, because of the  
18 intelligence, that they were being supplied somehow, or  
19 monied, provided ammo.

20 But the answer to your question is no, I did not  
21 make specific inquiries.

22 Q Central America, the contras, you said was an  
23 area that was your responsibility?

24 A. That's correct.

25 Q Why didn't you try to find out how the contras

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1 were getting all this money and military assistance?

2 A. Two reasons. One is what I mentioned earlier, all  
3 the other things that I had to do.

4 Q. But this was an important priority.

5 A. It's an important priority.

6 Q. You're not saying you didn't have enough time to  
7 ask, are you?

8 A. Yes. I'm not sure I'm saying it quite that  
9 negatively, but I'm saying that when you have an awful lot  
10 of other things to do you don't spend all your time on one  
11 thing, and you have a lot of other responsibilities.

12 Q. But this was one responsibility?

13 A. This was one of many responsibilities.

14 Q. So one reason you didn't ask was because --

15 A. Because I had so much else to do and so many  
16 things to do that it didn't seem to me to be a high priority  
17 thing to ask about. And the second reason is, one never  
18 knows what is compartmented or committed or authorized in  
19 a classified, compartmented government action, and I didn't  
20 see fit to ask.

21 Q. Well, you would find out if it was compartmented  
22 if you asked and were told it is none of your business,  
23 right?

24 A. I would have.

25 Q. Did anyone tell you, don't ask these questions?

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1 A No, nobody has ever told me not to ask questions.

2 Q Did you feel that if you asked you would get an  
3 answer you didn't want to hear?

4 A No.

5 Q Do you know -- did you ever discuss with Mr.  
6 Gregg how the contras were being resupplied and assisted  
7 during this same period?

8 A I don't think so. You have to remember that we  
9 see intelligence every day and it shows the contras acting,  
10 and so you're assuming that they're getting something.  
11 And so it's not necessary to ask where they're getting it  
12 from.

13 You see the results of their actions in the  
14 combat reports.

15 Q These combat intelligence reports were coming  
16 to you from the CIA?

17 A That's correct, or the Defense Intelligence  
18 Agency.

19 Q Did those reports ever indicate the source or  
20 sources of the contras' materiel and money?

21 A I don't think so.

22 Q Let's turn back, if we may, to Watson Exhibit 1,  
23 your list of contacts with Rodriquez. And we are at  
24 April 30, 1986, 7:30 p.m., drinks, Washington, D.C.

25 Felix was in Washington?

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1 A. Yes, he was.

2 Q And you just had a social get-together?

3 A. We had drinks. Actually, it wasn't Washington; it  
4 was Tyson's Corner.

5 Q What did you discuss with him at that time?

6 A. The general conduct of the insurgency and the  
7 counterinsurgency in El Salvador, Felix describing how the  
8 helicopters worked, the [REDACTED] and other  
9 combat operations in El Salvador.

10 Q Let's turn to May 1, 1986. 11:00 a.m. meeting in  
11 office room 298. Whose office is 298?

12 A. Room 298 in the Old Executive Office Building is  
13 the office of the National Security Adviser for the Vice  
14 President, to wit, Don Gregg and myself and others.

15 Q Is that still your office?

16 A. Still is.

17 Q You and Felix were at the meeting and am I right  
18 from this question mark that you're not sure whether Gregg  
19 was at this meeting?

20 A. I'm not sure whether he was.

21 Q And this was a meeting that preceded, immediately  
22 preceded, a meeting with the Vice President, correct?

23 A. That's right.

24 Q What do you recall having transpired at this  
25 pre-meeting before the Vice President's meeting?

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1 A - Felix arrived early for the 11:30 meeting. For  
2 someone like Felix, we would usually have them stop by our  
3 office to say hello and then walk down to the Vice President's  
4 office or, in this case, over.

5 Felix stopped in earlier than expected and we sat  
6 there and talked.

7 Q About what?

8 A We talked about how things were going, how his  
9 need for parts was going, what he was going to raise with  
10 the Vice President. And he told me he was going to describe  
11 for him what had been accomplished since the last time he  
12 had met with the Vice President. I think it was January  
13 '85. How he had succeeded in getting a number of  
14 helicopters, his concept of operations, his need for  
15 supply parts, his need for more helicopters, that sort of  
16 thing.

17 Q All right. And then there was a meeting that  
18 followed with the Vice President in Mr. Bush's West Wing  
19 office?

20 A That's correct.

21 Q And the Vice President was there, you were there,  
22 Felix, Don Gregg?

23 A Also, not listed here, former Senator Brady,  
24 Nicholas Brady, Republican from New Jersey. At the end of  
25 the meeting, Ollie North and Ed Corr knocked on the door,


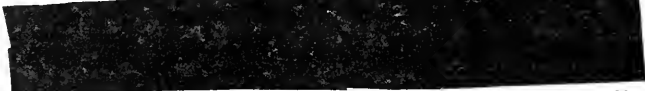
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1 poked their head in, and said: We hear that Felix was in  
2 the building seeing you, so we would like to say hello  
3 also.

4 Q Okay. What was discussed at the May 1 meeting  
5 with the Vice President?

6 A I think it was a 10 or 20 minute meeting  
7 scheduled. It went over. Felix had a briefcase and in  
8 his briefcase he had a photo album   
9 

10  
11 He showed the Vice President the picture album.  
12 He described to him what was going on in El Salvador,  
13 showed him pictures of the helicopters, bullet holes in  
14 the helicopters.

15 It was a discussion of counterinsurgency  
16 operations in El Salvador.

17 Q Now, was there any discussion at that meeting  
18 of the situation with respect to the contras?

19 A None whatsoever.

20 Q No discussion of Nicaragua at all?

21 A I don't recall any, other than there may have  
22 been discussion -- I am only speculating -- of Nicaragua  
23 as the source of the insurgency. But I don't recall any.

24 Q Any discussion of how the contras were doing?

25 A I don't recall any.

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1 Q Any discussion of --

2 A In fact, I think I can be more emphatic than that.  
3 I'm almost positive there was none. Felix was very wrapped  
4 up in this meeting in the helicopter operations and showing  
5 the Vice President that he was really down there with his  
6 helicopters, really fighting in El Salvador.

7 Q And nobody asked how the fight in El Salvador was  
8 affecting the fight in Nicaragua or vice versa?

9 A I don't recall it.

10 Q Aren't those two subjects that are related?

11 A I just don't recall whether there was or not. But  
12 I don't think there was. Felix was leading this discussion  
13 very heavily with his picture album. You may have seen it.

14 Q But the Vice President I assume asked questions  
15 during this?

16 A I don't remember whether the Vice President asked  
17 questions. On something like this, usually the VP's mode  
18 is to listen to what someone has to tell him.

19 Q Is it your testimony that at this meeting on May 1  
20 there was no discussion about the contras?

21 A To the best of my recollection.

22 Q Understood.

23 Now, let's mark as Watson Exhibit 3 this group of  
24 documents.

25 (The documents referred to

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were marked Watson Exhibit  
No. 3 for identification.)

Q Watson Exhibit 3 for the record are three pages, consisting of an April 30, 1986, briefing memorandum for the President; then an April 28th, 1986, form memorandum to Mr. Gregg from Debbie Hutton, subject approved Vice Presidential activity. The third page is an April 16, 1986, schedule proposal.

I take it you have seen these documents before today, Colonel Watson?

A I have seen them before.

Q When for the first time?

A Somewhere on or about May 1st of last year, when the meeting came up, and then again yesterday, and some time like December or January of this past year.

Q December '86 or January '87?

A December '86, January '87, we were asked to search for documents.

Q Now, is the meeting to which these documents refer, looking specifically at the briefing memoranda, the same May 1, 1986, meeting with Felix Rodriguez that you and I have just discussed?

A Yes, it is.

Q And of the three documents that comprise Watson Exhibit 3, which of them, if not all of them, do you

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1 recall seeing around May 1, 1986?

2 A I recall seeing the briefing memo. I believe my  
3 secretary probably gave me a copy in preparation for the  
4 meeting.

5 Q What about the schedule proposal, which is the  
6 last page of the exhibit?

7 A I do not recall seeing the schedule proposal.

8 Q Now --

9 A Which is not unusual.

10 Q Let's go to the briefing memorandum first, which  
11 is the one you saw. Did you see it prior to the May 1  
12 meeting shortly before?

13 A Probably shortly before.

14 Q Did you read it?

15 A Glanced at it.

16 Q Did you --

17 A There's nothing there.

18 Q Did you notice what the purpose of the meeting  
19 was listed to be?

20 A Yes.

21 Q And that included resupply of the contras?

22 A Yes.

23 Q Did you ask anyone about that at the time?

24 A No, I didn't.

25 Q Did you know where that purpose had come from,

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1 who had supplied that information?

2 A. No, I don't.

3 Q. Take a look at the schedule proposal, the last  
4 page of the document, but the first in time, dated April  
5 16, 1986. When is the first time that you saw that  
6 document?

7 A. I don't know if I have seen the schedule proposal  
8 before. We do so many of these things, come and go.

9 Q. How are schedule proposals prepared in your  
10 office?

11 A. If State Department or, say, the Defense  
12 Department is suggesting a ~~memorandum~~ <sup>meeting</sup>, they will send a  
13 memorandum over listing, sometimes in great detail, why  
14 they think the meeting, if that's the case. I or one of the  
15 other officers in the previous time used to take them and  
16 rework them, and our secretaries would prepare the  
17 schedule proposal, and they would go in.

18 At some point last year, I don't remember when,  
19 Phyllis Byrne started preparing the schedule proposals  
20 based on the State or Defense Department requests.

21 Another, second way a meeting could be established  
22 or requested and the proposal made is for somebody to  
23 write or telephone directly to our office, and that's not  
24 unusual at all. And we would take the information off of  
25 the phone or out of a letter and prepare a schedule

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1 proposal.

2 To anticipate your question, I don't know whether  
3 Felix wrote, called, or what to set this meeting up.

4 Q Did you -- have you supplied information for  
5 schedule proposals from time to time?

6 A From time to time.

7 Q Do you know how this schedule proposal was prepared?

8 A No, I don't.

9 Q Do you recall telling Phyllis Byrne or providing  
10 Phyllis Byrne with the information that appears next to the  
11 word "purpose" on the April 16, 1986, schedule proposal?

12 A No, I don't. What I do recall -- and my memory is  
13 very fuzzy because, as I said, we sometimes -- so many of  
14 these things are coming and going, and we are always asking  
15 for meetings.

16 I don't recall whether it was in preparation for the  
17 April 16th schedule proposal or in preparation of briefing  
18 memo, I remember --

19 Q The April 30, 1986?

20 A Yes, I'm sorry.

21 I recall at one time Phyllis turning from her desk,  
22 because her desk is as close as you and I are, three or four  
23 feet apart, and she is outside the door of my office, and she  
24 said: How do we describe Felix? And we settled on the  
25 words "a counterinsurgency expert visiting from El Salvador."

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1 Q Do you recall telling Phyllis Byrne that a purpose  
2 of the meeting requested by Rodriguez was to discuss  
3 resupply of the contras?

4 A No, I do not.

5 Q Would it affect your recollection if I told you  
6 that Phyllis Byrne recalls that it was you who gave her the  
7 essence and substance of what appears as the purpose of  
8 the meeting on the schedule proposal, namely to brief the  
9 Vice President on the status of the war in El Salvador and  
10 resupply of the contras?

11 If I tell you again that Ms. Byrne recalls that  
12 it was you who told her that what I just read in effect was  
13 the purpose of the meeting, would that change your  
14 recollection in any way?

15 A That would not change my recollection.

16 Q Your view is that Phyllis is wrong?

17 A I can't say she's wrong. I can't say she's wrong.  
18 I can't say she's right.

19 Q She recalls that it was you who told her.

20 A Well, she can, but I do not recall giving those  
21 words.

22 Q Let me tell you where we are with this, Colonel  
23 Watson. Mr. Gregg says he didn't write it. You say you  
24 didn't give it to Phyllis Byrne. She recalls that you  
25 did give it to Phyllis Byrne, that you did give it to her.

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1 Do you have any explanation for where this language  
2 came from?

3 A. The only explanation is that the Congress and the  
4 President and everybody was in the midst of a request for  
5 a vote, a request for an appropriation of funds, and the  
6 whole subject of continued or resumed military assistance  
7 for the United Nicaraguan Opposition was something that was  
8 being much discussed.

9 There were meetings going on constantly during that  
10 spring involving different members of the Administration to  
11 advocate the President's policy of supplying, providing  
12 supplies to the Nicaraguans that were seeking freedom. And  
13 it was not an unusual issue.

14 The specific words "resupply of the contras"  
15 could have devolved or evolved from that general  
16 atmospheric. But as for the specific, no, I still do not  
17 know where that came from.

18 Q Is Phyllis Byrne a reliable secretary?

19 A Yes, she is.

20 Q You have a high regard for her skills?

21 A Yes.

22 Q She does not, though, create or initiate  
23 information that goes into schedule proposals as far as you  
24 know, right?

25 A No, quite the contrary, she does.

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1 Q She makes up, she specifies what the purpose is?

2 A She either takes the State Department or Defense  
3 Department memoranda and extracts from it. If she talks  
4 to somebody on the phone, she takes the information from  
5 the phone, digests the information, evolves it, puts it  
6 together.

7 Q I understand that. But she is not the one who  
8 decides what the purpose of the meeting is? She gets that  
9 information from somebody else?

10 A Not necessarily.

11 Q She decides what the purpose of the meeting is  
12 with the Vice President?

13 A If the State Department says, this is why we want  
14 to have a meeting, she may take the paragraph -- they may  
15 write a paragraph -- and she will boil it down to a  
16 sentence as to the purpose of the meeting.

17 Q But she gets it right, correct? If they say the  
18 purpose of the meeting is to discuss China, she doesn't  
19 say the purpose of the meeting is to discuss Africa?

20 A Obviously not.

21 Q So the information as to what the purpose of the  
22 meeting is comes to her. Phyllis Byrne has not achieved  
23 a unique position in the government where she decides  
24 what the purpose of meetings is with the Vice President,  
25 right?

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1 A. No.

2 Q So presumably --

3 A. But I think you're putting more formality and more  
4 specificity on a schedule proposal than -- you have to  
5 understand the process. It's not that precise that, if you  
6 put down the purpose of the meeting is this, that either other  
7 things can't be discussed or that that will be the actual  
8 totality of the meeting when it comes about.

9 Q I understand that. But I assume that these forms,  
10 the schedule proposal and the briefing memorandum, are  
11 completed for a purpose, right?

12 A. Correct.

13 Q It's not just a make-work exercise to send forms  
14 around. You are going to look at the briefing memo, correct?

15 A. That's correct.

16 Q The Vice President's going to look at it?

17 A. Yes.

18 Q So there's a purpose to doing it, and that means  
19 there's a purpose to doing it accurately, correct?

20 A. That's correct. At the same time, you have to  
21 realize that there are meetings which occur in my area  
22 and in the areas of the other officers in the office which  
23 Phyllis does the schedule proposal and we don't ever see  
24 them, where Don will tell her to setup a meeting or she will  
25 prepare it on her own initiative and give it to Don.

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1 Q I hear you. But when you said before that the  
2 general atmosphere at the time was one in which there was  
3 attention being paid to the contras and to the prospect of  
4 getting renewed assistance from the Congress and so forth,  
5 I am trying to understand how that testimony relates to my  
6 question of where Ms. Byrne would have gotten the information  
7 from as to the purpose of this meeting?

8 A I can't tell you where she got it.

9 Q Were you suggesting that she made it up based on  
10 the general atmosphere in Washington at the time?

11 A I wouldn't want to suggest that maybe she did  
12 anything. I can't read her motives or her intentions or her  
13 role in preparing this schedule. I can't do that. But what  
14 I can tell you is that I am fairly certain that I did not  
15 provide those words.

16 Q Because if you didn't provide it and if Mr. Gregg  
17 didn't provide it, and if she didn't come up with it on her  
18 own, and if Felix Rodriguez didn't provide it, then this was  
19 ghostwritten literally, because there's nobody who provided  
20 it.

21 Would you think that there would have been  
22 something wrong with discussing resupply of the contras  
23 with the Vice President in May of 1986?

24 A I would not have phrased it "resupply of the  
25 contras." I would have phrased it -- I would have phrased it

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1 "the need for legislative effort" or "to discuss the  
2 situation to provide background for support of the President's  
3 budget request for military aid to the Congress."

4 Q What does "resupply of the contras" mean?

5 A To me, "resupply" is a very specific technical  
6 thing, which means kicking bundles out of airplanes.

7 Q And you came to learn as of some point, I guess  
8 as of August 1986, that Felix Rodriguez was involved in  
9 resupply of the contras, right?

10 A That's correct. Well, that he had something to  
11 do with access to the airplanes on the ground and refueling  
12 them and that sort of thing.

13 Q Facilitating?

14 A I don't know if he was the person who got on the  
15 airplane and did that.

16 Q I understand. But that he was involved in  
17 facilitating?

18 A Facilitating. That's a good word.

19 Q And that you came to understand in August 1986,  
20 right?

21 A That's correct -- now wait a minute. August  
22 1986, we didn't learn that he was involved in it. We learned  
23 that he had a lot of information about the people that were  
24 doing it -- Secord, Clines, and those folks -- not that he  
25 himself was involved.

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1 Q When did you learn that he himself was involved,  
2 "he" being Felix Rodriguez?

3 A Well, the first allegation was when Eugene  
4 Hasenfus was shot down in October, or his airplane was, and  
5 the Sandinistas paraded Hasenfus out. It was the first  
6 allegation.

7 Then at some time later, maybe October, November,  
8 December, as the information began to roll out which you are  
9 investigating, Felix Rodriguez's role became more known. And  
10 I understand he came to Don and confessed that he had been  
11 much more heavily involved.

12 Q When?

13 A I think it was December '86. I was not a party  
14 to it and Don has only told me that later.

15 Q Understood. Let me go back one more time, then,  
16 to Watson Exhibit 3. It is your testimony that you are not  
17 the source of the language that resupply of the contras was  
18 a purpose of the meeting between Felix and the Vice  
19 President, correct?

20 A That is my testimony, to the extent that all humans  
21 are both fallible and wish they were infallible.

22 Q All humans except Senate staffers are fallible.  
23 But to the extent of human fallibility?

24 A To the extent of my --

25 Q You have probed your recollection, correct?

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- 1 A Yes, sir.
- 2 Q And you are not the source of the information that  
3 appears as the purpose of the meeting between Mr. Rodriguez  
4 and the Vice President set for May 1, 1986; that's correct?
- 5 A No, no. When I said earlier --
- 6 Q Tell me what it is?
- 7 A At some point, and I believe it was either the  
8 schedule proposal or the briefing memo, Phyllis said: How  
9 do we describe Felix Rodriguez?
- 10 Q And you said counterinsurgency?
- 11 A Counterinsurgency expert visiting from El  
12 Salvador.
- 13 The question I think you're asking is where did  
14 the phrase resupply of the contras come from. That I  
15 testified that I do not know.
- 16 Q What about the phrase "briefing on the status of  
17 the war in El Salvador"? Where did that come from?
- 18 A I don't know, but that would be a normal thing  
19 you would expect with a meeting with Felix.
- 20 Q But you don't know where that came from, any  
21 more than you know where the resupply of the contras purpose  
22 came from?
- 23 A That's correct.
- 24 Q Have you discussed these documents, the briefing  
25 memo and/or the scheduling proposal, with Mr. Gregg before

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1 today?

2 A We discussed it briefly when we discovered the  
3 document in our files back in, whenever it was, December or  
4 January, whenever. I think it was in response to the  
5 Congressman Hamilton request in January.

6 Q Of 1987?

7 A Of 1987.

8 We looked at it, and Don's question was: Where did  
9 "resupply of the contras" come from?

10 Q And what did you say?

11 A I said "beats me" or words to that effect.

12 Q And what did he say?

13 A He said "Oh" or words to that effect, "beats me,"

14 I don't know.

15 Q That was the substance of the discussion?

16 A I think so. I don't think we had an extended  
17 discussion on it.

18 Q Have you learned from that day to this where the  
19 words "resupply of the contras" came from in these documents,  
20 this document that went to the Vice President?

21 A No, I have not.

22 MR. LEON: Before you move on, could I ask a few  
23 questions?

24 MR. BELNICK: Sure.

25 BY MR. LEON:

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1 Q - At the risk of beating a dead horse, did Phyllis  
2 tell you that she had spoken with Felix before she typed  
3 up the schedule proposal? Do you remember?

4 A. No, not that I recall.

5 Q Do you recall her telling you that he had called  
6 and asked to get an appointment with the Vice President?

7 A. He may have. He may have, and she may have told  
8 -- remember, Felix calls a lot.

9 Q Well, certainly, since the time that this was  
10 written up, we now know today that he was involved in  
11 resupply of the contras. And like you say, this is a very  
12 specific phrase. This is the kind of phrase that he would  
13 use, "resupply of the contras"?

14 A. Felix would use a phrase like that, because"  
15 Felix was not a global strategist; he was a technician, in a  
16 sense a very smart fellow, but he saw a very -- he is a very  
17 precise fellow in what he wants to do and what he wants  
18 done.

19 So Felix -- and again, it's unfair for me to  
20 attribute to someone else what they may have thought or  
21 what they may have said. But my knowledge of Felix, what  
22 I have known of him over a year and a half, is that he  
23 focuses. He is a very compulsive person. He focuses on  
24 what he wants to get done and he drives towards that and  
25 excludes extraneous matters.

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1 Q What I'm getting at is, when he called to ask for  
2 an appointment to see the Vice President he might have used  
3 the phrase "resupply to the contras" when he spoke with her?

4 A I don't know.

5 Q And let me ask you --

6 A It's conceivable, because Felix is a precise  
7 person.

8 MR. BELNICK: Except that you just testified that  
9 he didn't.

10 THE WITNESS: I testified that I didn't know.

11 MR. BELNICK: I'm saying Phyllis Byrne.

12 BY MR. LEON: (Resuming)

13 Q As far as she recalls.

14 Now, turning to the first page of Exhibit 3, the  
15 briefing memo, you just testified a minute ago you met with  
16 Felix before you went in to see the Vice President?

17 A That's correct.

18 Q And you were chatting with him, I guess, in general  
19 about the El Salvador situation?

20 A Correct.

21 Q Now, at that point, before you went in with him  
22 to see the Vice President, would you have had a copy of the  
23 briefing memo with you?

24 A Possibly. Realize that a briefing memo for someone  
25 like me for a meeting, I rarely carried the briefing memo to

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1 the meeting. And if I have done a briefing memo, once I have  
2 done it I probably leave it on my desk or in my safe. I  
3 don't necessarily take it to the meeting, because it's of no  
4 value at the meeting.

5 It's not something I will haul out and be paging  
6 through at a meeting. It's not good form.

7 Q What I'm trying to help you recollect, if possible,  
8 is whether or not when you were meeting with Felix before you  
9 went in to see the Vice President, do you recall looking at  
10 the briefing memo, noticing this phrase, and then -- "resupply  
11 of the contras" -- and then, you know, making that fact?

12 A That's a good and fair question. No, I don't recall  
13 reviewing the briefing memo with him.

14 Q And you don't recall meeting with Don Gregg or  
15 the Vice President before Felix met with him and then reviewing  
16 the memo also?

17 A No.

18 Q And noticing that phrase?

19 A No. We almost, almost, almost never meet with the  
20 Vice President ahead of time, unless it's a very complicated  
21 meeting and there are very good reasons to pre-brief him. We  
22 almost never sit down with him to review what the meeting is  
23 going to be about.

24 He is smart enough to read the memo or to read the  
25 cards.

Q And you have no recollection or knowledge, do you,

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1 of the Vice President asking you, either you or Don Gregg,  
2 about this reference to resupply of the contras before the  
3 meeting?

4 A No, I do not. But can I make a point, though? The  
5 Vice President gets four by six cards, which every senior  
6 government official gets briefings by his staff, and he relies  
7 on those cards more than he does, quite honestly, the briefing  
8 memo.

9 Q Did he get a card for this particular meeting?

10 A One is not listed. If there was a four by six  
11 card, it would be listed here as an attachment.

12 But he relies on the cards, and he pulls them out  
13 of his pocket if he needs to review the issues.

14 Q Let me make sure I have this clear. Are you  
15 telling us that he doesn't get this specific page, this  
16 document, Exhibit 1, page 1?

17 A No, I'm not telling you that. I'm telling you that  
18 he gets the briefing memo and its attachments. But my  
19 experience is that he relies almost solely on what's on the  
20 four by six cards and rarely on what's really in the briefing  
21 memo.

22 Q And you have no way of knowing whether he ever  
23 got a four by six card as to this?

24 A I have no way of knowing that. But my inclination  
25 is to say that he didn't, because it's not listed.

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1 MR. BELNICK: On Exhibit 3.

2 MR. LEON: Page 1 of Exhibit 3.

3 BY MR. BELNICK: (Resuming)

4 Q Could we go back to Exhibit 1. I notice this  
5 again is your list of contacts with Felix. In May of 1986  
6 you have another phone call with him about helicopters, right?

7 A That's correct.

8 Q And certain operations, correct?

9 A Yes.

10 Q Then there is a phone call from Felix on July 29,  
11 1986?

12 A Correct.

13 Q What do you recall about that phone call?

14 A Not much.

15 MR. BELNICK: Let's mark this document as Watson  
16 Exhibit 4.

17 THE WITNESS: Unless you have a memory aid.

(The document referred to was  
18 marked Watson Exhibit No. 4  
19 for identification.)  
20

21 BY MR. BELNICK: (Resuming)

22 Q I may, but first I want you to tell me what you  
23 recall without my memory aid.

24 A Somewhere in my notes, in my notebook or whatever,  
25 I have a comment that Felix called me on July 29th.

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- 1 Q Here is Watson Exhibit 4.
- 2 A If he did, then I took some notes.
- 3 Q Is Watson Exhibit 4 your notes?
- 4 A Watson Exhibit 4 are notes from a spiral-bound  
5 notebook which I maintained during parts of 1986, at least  
6 the first four or five pages, and then there are a lot of other  
7 things attached.
- 8 Q The notes go through the fifth page, which has our  
9 Bates number N-46663.
- 10 A Correct.
- 11 Q And after that, other things.
- 12 A After that other things.
- 13 Q Let me just for the record state that the whole  
14 of Watson Exhibit 4 consists of pages numbered N-46659 ..  
15 through 673. And Colonel Watson just identified pages 46659  
16 through 63 as consisting of notes that he made.
- 17 And I take it those notes were contemporaneous  
18 with the events that are recorded, correct?
- 19 A I don't know whether I took them as Felix was  
20 talking or whether I jotted them down afterwards.
- 21 Q The first page of Watson Exhibit 4, page N-46659,  
22 has a listing for Tuesday, 7/29. I take it that's July 29,  
23 1986?
- 24 A That's correct.
- 25 Q "ODSM," what did that refer to?

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1 A - That means that on Tuesday, July 29th, 1986, I  
2 went to the ODSM, which is the National Security Council  
3 staff meeting at 7:30 in the morning, Monday, Tuesday,  
4 Thursday, and Friday. And I believe it stands for "Office  
5 Director Staff Meeting."

6 Q That's --

7 A In the Situation Room.

8 Q And that's with the President's National  
9 Security Advisor?

10 A It is chaired by whomever -- at that point it  
11 would have been chaired by Poindexter or whoever his deputy  
12 was.

13 Q The note under "ODSM," if I read it correctly,  
14 says "Max shut down pilots' resupply"?

15 A Correct.

16 Q Did you take that note at the meeting?

17 A No, I wrote it down afterwards.

18 Q What does it mean?

19 A It probably means that at that meeting Ollie  
20 North or someone like that made a comment to me personally  
21 and privately that Max shut down a resupply, shut down  
22 the pilots, stopped the pilots from conducting the  
23 resupply.

24 Q A resupply of whom?

25 A I presumed he meant the contras.

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1 Q What specifically do you recall that North, if  
2 it was North, told you about what Felix had done in that  
3 regard?

4 A As I recollect the meeting, I came to the ODSM --  
5 I was not a normal participant. Don, I believe, Gregg was  
6 out of the country. I sat down in an empty seat which  
7 happened to be next to Ollie North, and at some point either  
8 during the meeting or after the meeting he whispered to me.  
9 He said, without using foul language here, but words to the  
10 effect that Max had shut down the resupply of the pilots.

11 And I said: What are you talking about, Ollie?  
12 Tell me more? And he brushed me off and said: Don't bother  
13 me; it's none of your business. And that was it.

14 Q First he told you and then when you asked him  
15 what he meant he told you it was none of your business?

16 A He told me it was none of my business, don't get  
17 involved.

18 Q But this was after he initiated the conversation?

19 A After he initiated it. And I think you will find  
20 another note somewhere, maybe not here, that on the next  
21 day and several days later either Craig Coy or Bob Earl,  
22 one of the other or Ollie, made these same types of  
23 comments.

24 Q You made a note of Ollie's comment. Did you  
25 pass it on to anybody?

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1 A - I did not. I don't recall passing it on. Don  
2 and the Vice President were out of the country.

3 Q Did you understand from what Ollie North told  
4 you that Max had some connection with contra resupply?

5 A I took that to mean that Max Gomez had some  
6 connection with it. That's why I asked him, tell me more,  
7 because it surprised me. It shocked me.

8 Q And this was something, then, that you intended  
9 to pursue with Don Gregg when he got back?

10 A I don't know if I had that specific thought at  
11 that time of pursuing it with Don. Usually when he gets  
12 back from a trip, we will sit down and talk about things  
13 that occurred.

14 Q How would you decide what things to make note of  
15 in your notebook?

16 A Something that I thought was important or  
17 unusual, that I needed a memory aid on.

18 Q Let's turn to the next page of this Exhibit 4,  
19 N-46660. It says at the top "Felix," and then there are  
20 notes.

21 Are those notes of your telephone conversation  
22 with Felix on July 29th?

23 A Without knowing whether these are pages, page by  
24 page in the exact sequence that are in my notebook, I cannot  
25 say that. But I would presume it is because July 29th --

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1 and the next one is July 30th.' So I would assume that it  
2 is.

3 Q I will tell you, this is the sequence in which  
4 the notes were produced to us.

5 A And I don't recall how I Xeroxed them, but I would  
6 presume that this is the phone conversation of July 29th.

7 Q Why don't you go through the notes and tell us  
8 what you recall that Felix discussed with you on July 29,  
9 1986?

10 A First, I don't recall who initiated the phone  
11 call. Apparently it means that Congress has been notified  
12 that Congressman Obey, who had put a hold on a number of  
13 helicopters going to El Salvador of the type of helicopters  
14 Rodriguez wanted for his operation -- apparently the  
15 notification had been made and was then working its way  
16 through the Congressional waiting period process.

17 Felix probably asked me: What about the repair  
18 of my helicopters? And I said "Repair, nothing yet" in  
19 quotes means that I've heard nothing yet or got nothing  
20 yet.

21 The next, "visit to other side." Felix must  
22 have said he made a visit to the other side, which I took  
23 to mean [REDACTED] And he was making visits to [REDACTED]  
24 He was in El Salvador, making visits all around, talking  
25 to military chiefs of staff or senior people about

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1 coordinating their thinking, trying to get to know people.

2 The next one, "To Washington 8/11/86," must mean  
3 that on August 11th he knew that Ed Corr and General Galvin  
4 were coming to Washington.

5 "CANF" I suspect is Cuban-American National -- is  
6 Cuban-American National Foundation. They are helping to give  
7 aid to El Salvador. It says "mid-August." [REDACTED]

8 [REDACTED]  
9 [REDACTED]  
10 Q We can pass that.

11 "Coordination," does this have something to do  
12 with [REDACTED]?

13 A Well, [REDACTED] and  
14 I suspect that means that he is coming to [REDACTED] on  
15 Wednesday.

16 Q Reference to a Lieutenant Colonel Rankin?

17 A Lieutenant Colonel David H. Rankin, with a  
18 serial number. He was an Air Force Lieutenant Colonel in  
19 the United States MIL group in El Salvador, military group.  
20 He worked with Colonel James Steel, and Felix was saying:  
21 You've got to figure out how to get him promoted. So I took  
22 his serial number down.

23 Q I'll give you a few names after we're finished.

24 "Resupply," what does that say? "Resupply, yes,  
25 problem, waiting for new."

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1 A "Waiting for new helicopters"?

2 Q I don't know. You tell me.

3 First of all, resupply of whom?

4 A I don't know. I don't know what that means.

5 That doesn't trigger anything.

6 Q Is that a term that you associate with El

7 Salvador, resupply?

8 A I could associate it easily with the helicopters.

9 Q What is the reference under "resupply," 27-19-96  
10 A base," and then "home," and then "Jim Steel, 11-15  
11 August"?

12 A Well, the Jim Steel part is he will be here 11-15  
13 August, as will Ed Corr and Steel's boss, Galvin.

14 Q What about 27-19-96 A base?

15 A It's a mystery.

16 Q You don't know what it means?

17 A It doesn't ring any bells whatsoever.

18 Q When you spoke to Felix on the 29th, did you  
19 question him about what Colonel North told you earlier that  
20 morning, namely that he Felix had shut down the pilots who  
21 were resupplying the contras?

22 A I don't think so. I'm just looking at the  
23 27-19-96 A base and home. I don't know if that means that  
24 Felix was flying home. I don't know.

25 Q Did you ask Felix about the cryptic statement

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1 that North had made to you that morning?

2 A No, I did not.

3 Q Did you decide not to ask Felix that?

4 A I believe I decided not to ask him that, because  
5 it was Ollie North mentioned it very briefly in a teasing,  
6 almost a teasing manner. Ollie was always known to be a  
7 very secretive type of person. He wanted people to think  
8 he was doing things very special, and I took it to be part  
9 of that.

10 But I also took the information on board, not  
11 just that he was playing a game of being important and  
12 secretive, but also here was some information that was  
13 interesting. But I'm not in the habit of taking one little  
14 bit of information like that, an accusation like that, and  
15 repeating it back to the person and saying: You've been  
16 accused of, without trying to get more information.

17 Q Have you now given us everything you recall about  
18 the July 29th telephone conversation with Felix?

19 A Yes, I have.

20 Q Please turn to the next page of your notes,  
21 N-46661, Wednesday, July 30, 1986. And then under that  
22 it says "Thursday, 7/31 - Bob Earl - Max - problems."  
23 Tell us what that entry means?

24 A That means that, to me now, and I believe I made  
25 some other notes, that Bob Earl, probably at an OESM, had

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1 done the same thing Ollie had, had leaned over and said:  
2 Max is really giving us problems. And my response was:  
3 Bob, what are you talking about? What do you mean? And it  
4 was either at the meeting or I called him later and said:  
5 Bob, what's going on?

6 And he refused to tell me anything further.

7 Bob Earl, at some point in one of these meetings  
8 -- I don't remember whether it was the August 12th meeting  
9 or what -- but Earl made a comment to the effect, a  
10 sarcastic comment: Well, Max is your friend and your  
11 problem.

12 Q I must tell you, these are bizarre conversations.  
13 People start talking to you and then when you ask them a  
14 question then don't answer?

15 A Do you know Ollie North?

16 Q No.

17 A Have you talked to him?

18 Q There's a certain Constitution standing between  
19 me and him for another day or so.

20 A Have you talked to Bob Earl?

21 Q Yes.

22 A Okay.

23 Q But they answer me.

24 A Well, you're in a different position.

25 Q Maybe so. But what I'm trying to understand is

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1 the nature of these routines. Either North or Earl say  
2 something to you, we have problems. And then you say, okay,  
3 what are the problems, and then they decline to answer?

4 A That's right. That bothers me, too, and it  
5 ticked me off.

6 Q Did you tell him: Don't tell me you've got  
7 problems unless you're going to tell me what the problems  
8 are when I answer?

9 A I may have said something.

10 Q Why the teasing?

11 I don't mean to be facetious. You are all  
12 professionals. You're working in matters of greatest  
13 sensitivity, correct?

14 A Correct.

15 Q These are national security matters, correct?

16 A Yes.

17 Q Two members of the National Security staff,  
18 Council staff, are telling the Vice President's deputy that  
19 they've got some kind of problem with a man that the Vice  
20 President's office sent down to El Salvador, correct?

21 A That's right.

22 Q And then when you ask what the problem is they  
23 say it's none of your business?

24 A That's right.

25 Q Well, didn't you think you ought to go to Don

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1 Gregg about that and say, something's got to be done about  
2 Earl and North?

3 A Don was not in country.

4 Q Well, he was coming back.

5 A He was coming back at some point.

6 Q And I take it you had had experiences like this,  
7 from the way you're talking now, with North and Early prior  
8 to July 30th or July 29, 1986, correct?

9 A With Bob Earl when he was part of the counter-  
10 terrorism task force. He was very snippy about things.

11 Q Well, after the Vice President's task force, when  
12 he now appeared as a member of North's unit, you had had  
13 experiences with North and Earl, I take it, which was not  
14 dissimilar from what was going on in July?

15 A Well, the experience was more observing them at  
16 ODSM's or whatever, when they would be very close hold and  
17 keep the information to themselves. But I don't remember  
18 whether I discussed these specifically with Don when he got  
19 back.

20 But recall that the August 8th meeting occurred a  
21 week later, where we had a chance to air all these problems  
22 with Felix Rodriguez.

23 Q At this stage, though, as of July 31, you now  
24 had received two cryptic communications, one from North and  
25 one from Earl, that there were some kind of problems involving

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1 Felix?

2 A That's correct.

3 Q And that the problems were relating to the contras,  
4 correct?5 A Correct. And if you go on to Friday, August 1st,  
6 you will see another comment to that effect.7 Q We are going there right now. Friday, August 1,  
8 on the same page, N-46661, this was a comment to you by  
9 Ollie North?

10 A That's correct.

11 Q And it says: "F screwed up S front."

12 A Felix screwed up southern front.

13 Q What did you understand the reference to the  
14 southern front to be?15 A That Felix had done something -- and I pieced it  
16 back together to the July 29th -- that Felix had done  
17 something about resupplying the southern front that Ollie  
18 North didn't like.

19 Q The southern front against the Sandinistas?

20 A Against the Sandinistas. [REDACTED]

21 [REDACTED]  
22 Q And that Rodriguez, North is telling you, did  
23 something to screw up that southern front military operation  
24 against the Sandinistas, correct?

25 A That's what I understood him to mean.

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1 Q Now, the note continues. I guess there are  
2 ditto marks, meaning Felix screwed something else up, right?

3 A It means that Felix screwed up by taking the  
4 mayor of Miami to [REDACTED]

5 Q And then it says "et cetera."

6 A I think he said, and bringing [REDACTED]  
7 down, and that he shouldn't have done that, that it was  
8 too much visibility.

9 Q From looking at these notes of yours on Friday,  
10 8/1/86, now tell me in one series of statements what you  
11 recall North telling you at that time?

12 A What I believe they were telling me on July 29th,  
13 July 30th, July 31st, August 1st, was that Felix Rodriguez  
14 was involved in some kind of resupply operation out of --  
15 in Central America to resupply the contras; that they didn't  
16 like his involvement and that he was doing things with which  
17 they didn't agree.

18 That they were telling me that because as a  
19 member of the Vice President's staff we had a special  
20 relationship with Rodriguez. They knew that we could point  
21 him, so to speak. I think they presumed we had more  
22 authority over Felix than we did; and that they were  
23 telling us there were problems with Felix, but they didn't  
24 pursue them.

25 I believe at some point that I even went up to

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1 Bob Earl's office and sat down and said, what's going on, I  
2 just got the real brushoff.

3 Q I believe you testified that you were surprised,  
4 stunned, to learn that Felix was involved in some way with  
5 contra resupply at that time?

6 A Surprised, yes. Stunned -- surprised.

7 Q Before I go on to that, let me ask you to turn  
8 to the next page, N-46662. There are notes there. Can you  
9 tell me what those are notes of?

10 A They appear to be my notes of the August 12th  
11 meeting.

12 Q So they are out of sync?

13 A They appear to be the August 12th.

14 Q If you look at the next page, we're going to hit  
15 the August 8th meeting. Okay, we will get to those in a  
16 moment.

17 Let's go back, though, to where things stood as  
18 of August 1. You were surprised at what you had heard. Was  
19 Don Gregg back in the country by then?

20 A I don't recall when he got back. Can you tell me?

21 Q I don't know. I know that you had the meeting  
22 with him on August 8th. I don't have his calendars here.

23 A Let's see. August 8th? I think August 8th was  
24 on a Friday.

25 Q Some time between the 1st and the 8th he returned?

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1 A I have a sense that it was August 5th, 1986.

2 Q Approximate is good enough.

3 A That's about right.

4 Q When Don came back, when Don Gregg returned on or  
5 about August 5, 1986, did you tell him what you had heard  
6 about Felix?

7 A I don't know with specificity. I suspect I did,  
8 because I believe that, as a loyal deputy, that I tell my  
9 boss everything that I am involved in and what I am doing.  
10 I have no record that I did tell him, but I have nothing to  
11 the negative.

12 And my general way of doing things is to tell my  
13 boss what I'm doing and keep him informed.

14 Q Well, particularly here, you were dealing with  
15 somebody who had, as you say, a special relationship with  
16 the Vice President's office, right?

17 A Correct.

18 Q About whom you had received surprising information  
19 from North and Earl, correct?

20 A Correct.

21 Q And so it's likely that you would have, of all  
22 things, reported that information to Gregg, who had his own  
23 special relationship with Rodriguez, right?

24 A It's probable that I did, but I could not testify  
25 that I did. I could not affirmatively testify that I did,

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1 nor could I negatively testify that I did not. But it is my  
2 pattern to do that sort of thing.

3 Q But what you are telling me, I guess, is that you  
4 don't recall whether you did or you didn't?

5 A That's right.

6 Q You have no recollection of a conversation?

7 A I have no recollection of a conversation.

8 MR. LEON: Before you go to August 8th, can I ask  
9 a question?

10 MR. BELNICK: Yes.

11 BY MR. LEON: (Resuming)

12 Q Colonel, I don't know if you're following any of  
13 the testimony today, Felix Rodriguez's in particular.

14 A I am.

15 Q You have? Okay. You might recall Felix testified  
16 that on June 25th he met with Colonel North in Colonel  
17 North's office. When that meeting was over, he pulled North  
18 aside and expressed concern one on one with North with  
19 regard to problems down in the resupply effort.

20 He was with Bob Dutton at that time, and it was  
21 during that meeting, before he pulled North aside, that  
22 North had chastized him with regard to his conduct down  
23 there, and North was concerned about it.

24 After that, speaking to North, he testified that  
25 he and Dutton went down to the Vice President's office, that

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1 Donald Gregg was not present, but that he met with you for a  
2 very short time.

3 A I listened and watched that testimony.

4 Q Do you have any recollection of meeting with  
5 Felix Rodriguez on June 25th, 1986?

6 A Yes, I did. I met with Felix Rodriguez on June  
7 25th. I would make a correction, though, based on what you  
8 said and what Dutton and others said. He did not visit the  
9 Vice President's office. It's a rather large complex of  
10 offices.

11 He came to my office, Room 298, which is not the  
12 Vice President's office. Technical point.

13 Q I notice it's not on your chronology.

14 A It is not on Watson 1. It was a mistake and an  
15 error. When we discovered it was not, we put out a press  
16 release May 15th, something like that, of this year making  
17 that correction.

18 Q I just want to make sure the record is clear on  
19 that. And what is your recollection about that conversation  
20 on that occasion with Felix?

21 A First, I don't recall that it was a scheduled  
22 meeting that was on my schedule. I think it was put on at  
23 the last minute or telephoned in or something like that. I  
24 don't know how the meeting came up.

25 I recall that Felix came down and wanted to say

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1 hello. He was in the building, wanted to pick up some  
2 photographs from Natalie Wozniak, one of the secretaries,  
3 of either the May 1st or May 20th meeting, something like  
4 that.

5 And he wanted to tell me he was here, the  
6 standard stuff: What can you do for me?

7 Q Was it one on one?

8 A Yes, my meeting with Felix was one on one. I  
9 think it was in my office. It may have been in Don's. I  
10 may have used Don's office for the meeting. I don't  
11 recall.

12 I remember that either at some point before,  
13 during, or after the meeting -- meeting Bob Dutton, Robert  
14 Dutton, whom I had never met before and never seen or  
15 heard of before.

16 Q Was he introduced as Colonel Dutton?

17 A No, not that I recall. And I remember that  
18 Felix and I were talking. I remember meeting this fellow  
19 when I was standing in the doorway. I think Felix  
20 introduced him as one of his assistants.

21 But I have since heard that Ollie North says  
22 that Ollie or Dutton say that he introduced him to me. I  
23 don't recall whether it was North or not.

24 Q Did Felix mention during that conversation on  
25 that day anything about resupply?

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1 A - Nothing whatsoever. Not that, nor did he mention  
2 that he was having any problems in El Salvador other than  
3 dealing with the helicopters.

4 Q Did he mention the fact that he had just come  
5 from a meeting with Colonel North?

6 A I don't believe he did.

7 Q And did you talk to Colonel North subsequent to  
8 that meeting with Felix on June 25th about what happened  
9 during the meeting?

10 A Well, I didn't know they had a meeting.

11 Q Okay. Well, did Colonel North bring it to your  
12 attention?

13 A He did not bring to my attention that he and  
14 Felix met on June 25th. Thus I was not able.

15 Q Fine, thank you.

16 BY MR. BELNICK: (Resuming)

17 Q Let's go to the August 8th meeting and your notes  
18 pertaining to that meeting appear two pages in from where  
19 you are, N-46663.

20 It was a Friday, and your notes indicate the  
21 meeting started about 9:30 in the morning, right?

22 A Yes.

23 Q And present were you, Don Gregg, and Felix  
24 Rodriguez?

25 A That's correct.

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1 Q - Tell us what you recall and everything you recall  
2 about that meeting on August 3th?

3 A. The meeting was scheduled. Felix came in and  
4 said he wanted to talk to us about some problems in Central  
5 America, and now that the Congress had authorized military  
6 assistance and aid to the freedom fighters, those seeking  
7 freedom in Nicaragua, that he wanted to tell us about a  
8 group of people that were conducting resupply.

9 And I recall him saying that he heard about it,  
10 knew about that, now that it was authorized, that the CIA or  
11 somebody would be setting up a resupply operation to fly  
12 resupplies into Nicaragua, to drop them; and that he wanted  
13 to tell us that there were a bunch of crooks involved.

14 He mentioned <sup>Edwin</sup>~~Edwin~~ Wilson as one. Most people  
15 know <sup>Edwin</sup>~~Edwin~~ Wilson and the people he ran around with. He  
16 mentioned Tom Clines, Richard Secord, and he said that these  
17 people are running such a corrupt, shoddy, unsafe operation  
18 down there, the U.S. Government should not get involved  
19 with them; and that if these people approached the United  
20 States Government wanting to sell their resupply operation  
21 to the government, that they should be turned down.

22 He didn't feel that they were of the professional  
23 or moral character to be associated with the U.S. Government  
24 and anything that we were now authorized to do via the  
25 Congress and the President's signature.

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1 He raised several specific problems that I alluded  
2 to a moment ago. One is that they were the wrong crowd of  
3 people: Secord, who left government under quite a shadow  
4 in I believe 1984, allegations of profiteering or money  
5 under the table; Clines, who had a reputation as a bad  
6 apple out of CIA; and <sup>Edwin</sup> ~~Edmond~~ Wilson, who had supplied the  
7 Libyans with plastic explosives.

8 So he indicated first that this was a bad group  
9 of people. Secondly, he said this group of people was  
10 profiteering, that they were buying and selling arms,  
11 weapons, military supplies, to give to the contras whether  
12 they were buying them for them or on their behalf, or  
13 however he phrased it, and that they were buying this stuff  
14 at low prices and charging the contras high prices.

15 And he called it: Here are these freedom fighters  
16 in Nicaragua who are trying to regain their democracy,  
17 democracy that I as a Cuban lost in Cuba, and these people  
18 are profiteering on it while people are giving their blood  
19 and their lives. These people are making immoral profits.

20 He cited an example of a hand grenade, three  
21 dollars purchase, nine dollars sale price to the contras.

22 Thirdly, he mentioned the quality of the  
23 aircraft, that the aircraft were unsafe, they were poorly  
24 maintained; and that he feared that they would either get  
25 lost or crash, losing a life.

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1           The people, the profit, the quality of the  
2 aircraft, and I think there was one other major subject,  
3 or there was another subject that I think I raised with him,  
4 fourthly, that he had been accused by Ollie and company of  
5 having stolen some C-123's and moved them from Miami to  
6 [REDACTED] And I asked him  
7 about that.

8           And Felix explained that these had been donations  
9 to the FDN, to UNO, and as donations [REDACTED]  
10 [REDACTED] felt that  
11 they were donations and that they would stay there and not  
12 leave; that Secord and company had no right to take them  
13 away.

14           That was the essence of the conversation.

15           Q    What about the accusation that he had stolen or  
16 skyjacked one of these planes?

17           A    Well, that's the last one I just mentioned, that  
18 Felix rebutted that by saying, no, these were donations to  
19 the contra cause and he saw them as donations [REDACTED]  
20 [REDACTED] saw them as donations, and that Ollie  
21 North and General Secord had no right to take them and take  
22 them away and then resell them to the United States  
23 Government.

24           The implication -- I don't know if he used the  
25 specific words, but his implication was that Secord and

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1 company were trying to sell them to the CIA, but they were  
2 donations.

3 Q Did he tell you how he happened to be involved with  
4 planes donated to the contras, he Felix?

5 A I don't think he told specifically, [REDACTED]  
6 [REDACTED]

7 Felix went back and forth to Miami a lot [REDACTED]  
8 [REDACTED]

9 and I believe he said that at one point  
10 he flew -- he brought one of the planes back. It was ready  
11 to leave, it was loaded with supplies, and so he brought it  
12 back down to Central America.

13 He didn't consider it skyjacking or air piracy.  
14 He considered them the property of the FDN, and it was there  
15 ready to come back, so he would bring it back.

16 Q What did Felix tell you about North's involvement  
17 with this group?

18 A As I recall, he mentioned that -- I didn't take  
19 any notes. These were notes I wrote down afterwards. I  
20 think he mentioned that Ollie North was involved with these  
21 people and Ollie had some kind of directional role. I don't  
22 recall him discussing specific technical directive role that  
23 Ollie had; that Ollie was more the conceptualizer, the  
24 chairman of the board.

25 Those are my words, not his.

Q That's what you understood from Felix?

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1 A That's what I understood, correct.

2 Q And did Felix associate North with the effort by  
3 Secord and the others to take away from the contras the planes  
4 which Felix [REDACTED] said had been donated to the  
5 contras, right?

6 A Rather, Felix said that rather vehemently.

7 Q And that North was one of those who was trying to  
8 take those planes away from the contras, correct? That's  
9 what you testified a few moments ago?

10 A Yes, generally.

11 Q You testified that Felix said that North and  
12 Secord had no right to take those planes away from the contras,  
13 correct?

14 A Yes, I said that.

15 Q And that's what you recall Felix communicated to  
16 you?

17 A North, in the sense that he was chairman of the  
18 board; Secord, in that he was the chief operating officer.

19 Q Now, do you recall whether Felix told you at the  
20 August 8th meeting anything about where the contras were  
21 getting money from or where the money was coming from to pay  
22 for contra weapons?

23 A No. What I recall was that he said that these  
24 people are buying the weapons or providing them to the  
25 contras. I don't recall him -- he may have said that money

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1 was being donated by foreign governments. I think he said  
2 they were being donated by [REDACTED] but I didn't take  
3 detailed notes. Don was writing madly.

4 Q Have you ever seen Don Gregg's notes?

5 A Yes, I have.

6 Q Let's look at those notes. When did you see them  
7 for the first time?

8 A I don't know if I saw them after the meeting. I  
9 may have. I just don't recall. My most recent recollection  
10 was that I probably saw them in December, November or  
11 December.

12 Q Did you look at them in getting ready for today's  
13 examination?

14 A I read them over yesterday, because I had a copy  
15 that I made back in December or January. Some time I made  
16 myself a copy.

17 Q You had not been given a copy by Don around  
18 August '86?

19 A No, I don't recall having been given one. If I  
20 did, it's lost.

21 Q Here is -- this is a document that was marked at  
22 Don's examination as Gregg Exhibit 2. It's a copy of -- do  
23 you recognize it as a copy?

24 A I recognize it as Don's notes.

25 Q Which you looked at yesterday?

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1 A Yes.

2 Q And there of course is a reference in those  
3 to the August 8, 1986, session with Felix, to Felix saying  
4 -- and you will see it in what looks like the first  
5 paragraph or so, the second paragraph actually -- Felix  
6 saying that Clines, C-l-i-n-e-s, "was getting money from  
7 [REDACTED]" correct?

8 A That's correct.

9 Q Does that square with your recollection?

10 A Let me find it in the document. Point it out,  
11 Don's writing -- getting dollars from [REDACTED] okay.

12 Q Do you remember Felix saying something like that  
13 at the meeting?

14 A I think he did.

15 Q Look up the page a little. These are Don's  
16 notes again. We are looking at Gregg Exhibit 2. There  
17 is discussion that "Green equals Rafael Quintero,"  
18 correct?

19 A Correct.

20 Q Then if we go a couple of lines down from there,  
21 the fourth line down, let me read what Don has written:  
22 "A swap of weapons for dollars was arranged to get aid for  
23 contras." Do you see that there?

24 A I see it and that's what it says.

25 Q What does it mean?

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1 A To me what it means, and reading it here, but also  
2 recalling the discussion at the August 8th meeting, was that  
3 Felix was talking about it in the sense that somebody is  
4 giving money to provide, to support the contras, their  
5 military aid; somebody is providing that, a foreign  
6 government, [REDACTED] and that Secord and Clines were  
7 going out on the world arms market buying things.

8 And he cited the hand grenades, buying them and  
9 giving them to the contras. It means nothing more than that.

10 Q Isn't it another way of saying we're buying  
11 weapons, to say a swap of weapons for dollars was arranged?

12 A Well, that's what you do. I give you dollars,  
13 you give me weapons. That's a swap.

14 Q But when you go to the supermarket you don't  
15 typically say a swap of oranges for dollars took place at  
16 the Giant Food Store, right? You say, I bought some  
17 oranges.

18 You'll agree with me, this is not the usual way to  
19 say arms are being purchased, a swap of weapons for dollars,  
20 right?

21 A You could say it this way if you wanted to. I  
22 mean, colloquial English may not.

23 Q Is that how you remember Felix saying it?

24 A I don't remember Felix using the word "swap."

25 Q Don Gregg is fairly easy with the English language.

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1 right? I mean, he knows how to --

2 A He is facile.

3 Q I'm just saying, you would agree with me, I think,  
4 that one would not ordinarily write down, we are buying  
5 weapons with money supplied by [REDACTED] to someone else,  
6 this way, a swap of weapons for dollars?

7 A I might not write that down and you might not.  
8 But I can't tell you why or whether Don would. I mean, he  
9 did. That's all I can say.

10 Q In any event, you don't recall any reference at  
11 the meeting on August 8th to moneys from other transactions  
12 being sent down to aid the contras, right?

13 A No, I do not.

14 Q Like something we would nowadays call diversion?  
15 There was no discussion of Iran arms sales or anything like  
16 that?

17 A I recall none whatsoever.

18 Q Do you recall any discussion at that meeting --  
19 well, strike that.

20 Let me -- referring again to the fact that a few  
21 lines down it says "Clines is getting dollars from [REDACTED]  
22 and wherever," correct?

23 A Correct.

24 Q Do you recall any discussion at that meeting in  
25 which Felix reported that he had heard from Tom Clines or

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1 somebody else associated with Clines boasting about their  
2 ability to get money from [REDACTED]?

3 A I don't recall any discussion of boasting about --

4 Q Well, talking about their ability to get moneys  
5 from [REDACTED]?

6 A I recall words to the effect that the contras are  
7 getting money from [REDACTED], but nothing more than that.

8 Q Do you recall Felix discussing how [REDACTED]  
9 had been persuaded to give money to the contras?

10 A No, I don't.

11 Q And what [REDACTED] were getting in return for  
12 giving moneys to the contras?

13 A No, I don't.

14 Q Do you recall him saying what Clines, reporting  
15 what Clines, anything that Clines had said about how [REDACTED]  
16 [REDACTED] had been induced to give money to the contras?

17 A No, I don't.

18 Q Was this the first time you heard that [REDACTED]  
19 [REDACTED] were giving money to the contras?

20 A No.

21 Q You had heard that prior to August 8th?

22 A [REDACTED]

23 Q Leaving aside those sources.

24 A I had never heard it in my function as a  
25 government official or in the context of government meetings.

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1 It was always outside that, in the newspapers, reading of  
2 Congressional inquiries or investigations.

3 Q Are you familiar with an NSPG meeting that had  
4 taken place on May 16, 1986?

5 A Tell me the subject? There are lots of NSPG  
6 meetings.

7 Q I thought you had them all memorized, just like  
8 I do, because I knew about one of them. So now, every one  
9 I know about I have memorized.

10 Had you heard, as of August 1986, that the NSPG  
11 had discussed at a meeting in the spring the possibility  
12 of soliciting at high levels of our government, by high  
13 levels of our government, foreign countries to provide  
14 assistance to the contras?

15 A I don't think I did.

16 Q So this was on August 8th, that was, as you have  
17 said, the first occasion when in your capacity as a  
18 government official you heard that [REDACTED] were  
19 contributing?

20 A That's correct.

21 Q And again, you don't recall Felix saying  
22 anything about what he had heard concerning how [REDACTED]  
23 had been induced to contribute or compensated in some way  
24 for their contribution?

25 A I have no recollection. I think I would go

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1 further than no recollection. I just don't think it was  
2 discussed.

3 Q And you don't recall anything being discussed  
4 that would explain Don's reference to a swap of weapons,  
5 et cetera, except the statement that foreign countries were  
6 supplying money and that money was being used to buy weapons  
7 for the contras by this profiteering group, correct?

8 A That's correct. And I would defend the right of  
9 anybody to take notes and use the words as they desire.

10 Q I certainly would join you in that defense. It's  
11 just an unusual way of saying weapons were bought, wouldn't  
12 you say?

13 A Well, I dont know.

14 Q Unless Don was getting very poetic.

15 A Well, Don is a learned man. I think he majored  
16 in philosophy in college.

17 Q Maybe that explains it, the ghost-written document  
18 and the swap of weapons.

19 Let's mark this as Watson Exhibit 5.

20 (The document referred to  
21 was marked Watson Exhibit No.  
22 5 for identification.)

23 Q That is a one page document dated December 17,  
24 1986, entitled "Meeting with Felix Rodriguez on August 8th,  
25 1986," our Bates stamp N-36456.

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1           Q Did you prepare this document?

2           A I did.

3           Q Why did you prepare this, this document, about  
4 an August meeting in December?

5           A Your or other -- maybe not you specifically --

6           Q You can't blame me. I was not even a gleam in  
7 the Senate's eye in December of 1986. But go on.

8           A Whomever, the issue was starting to heat up and  
9 people were starting to look into it and ask a lot of  
10 questions. We noted that David Hoffman on December 15th and  
11 16th was asking a lot of questions, writing articles. And  
12 I thought it would be good for my own memory aid to jot  
13 down everything I could remember of the meeting, self-  
14 generated for my own use.

15           Q Did you look at anything --did you have any  
16 notes you were looking at when you prepared this, or was it  
17 all from independent recollection?

18           A I probably went back to my note, which you  
19 entered as an exhibit a couple of minutes ago, about the  
20 meeting.

21           Q The one which appears at N-46663 on Watson  
22 Exhibit 3?

23           A That's correct.

24           Q We can compare it, but you will agree with me,  
25 I think, that your typed notes of the meeting which you

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1 prepared in December, Watson Exhibit 5, have a lot more  
2 detail than the handwritten notes you took back on August  
3 8th, right?

4 A That's correct.

5 Q Where did you get this additional detail from  
6 when you prepared Watson 5?

7 A I believe I did it out of my own mind. I cannot  
8 -- I don't know if I had any other sources. I think it  
9 was just out of my own recollection.

10 Q Did you talk to Don Gregg at all?

11 A I don't know.

12 Q You don't recall, or do you, looking at Gregg's  
13 notes before you prepared this?

14 A I just don't know.

15 Q There's no reference to Oliver North in Watson  
16 Exhibit 5. Can you tell me why not?

17 A Probably because I didn't remember it.

18 Q Didn't it strike you on August 8th as fairly  
19 significant information that Rodriguez was telling you  
20 North was involved with this private contra supply network  
21 and in effect was the chairman of the board, to use your  
22 terms?

23 A I thought it significant, but apparently it  
24 wasn't in my notes, my handwritten notes. It wasn't in  
25 there.

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1 MR. LEON: Let me stop you a minute. These aren't  
2 notes, are they? This is after the fact.

3 THE WITNESS: This is something I wrote hours,  
4 within hours after the meeting, the same day.

5 MR. LEON: This is not during the meeting?

6 THE WITNESS: Not verbatim notes by any extent.

7 BY MR. BELNICK: (Resuming)

8 Q You wrote it within a few hours of the meeting.  
9 North's name does not appear on those notes and doesn't appear  
10 on Watson Exhibit 5. And I was asking you to account for  
11 that.

12 A I can't explain why it doesn't appear. No special  
13 reason.

14 Q Let's go back --

15 A You will note, though, that in my August 8th  
16 meeting I mention Clines and Secord, and in my December 17th  
17 note, your Exhibit 5, it mentions Clines and Secord.

18 Q Yes, I noticed that.

19 A And since I don't have North, you know, I didn't  
20 transpose one to the other.

21 Q There's also no reference here to money coming in  
22 to the contras from [REDACTED] But again, is there any  
23 reason that that did not appear either on your notes, 46663,  
24 or the memo, Exhibit 5?

25 A No explanation for that. It does talk about them

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1 buying hand grenades, about buying stuff, selling it for higher  
2 prices, which is the equivalent of buying and selling.

3 Q Is it at the point, at you said before, that --  
4 strike that.

5 You said that you saw Don Gregg making what seemed  
6 to you to be comprehensive notes and you were not as concerned  
7 with the notes that you were going to make of the meeting?

8 A That's correct, taking notes. Comprehensiveness --

9 Q He seemed to be taking lots of notes?

10 A Taking lots of notes, yes.

11 Q Throughout the time that Felix was speaking?

12 A Yes.

13 Q He didn't stop at some point and let Felix go on  
14 and just give up taking notes, that you recall?

15 A There may have been lapses in the conversation or  
16 lapses in note-taking. I was not riveted on Don.

17 Q I understand. But generally, you saw Don taking  
18 notes on the discussion?

19 A Yes, and I relied on that.

20 Q Did you ask Felix at the meeting on August 8th  
21 about the allegations that you had heard from North and Earl  
22 a week or so before that he, Felix, was giving problems to  
23 the contra resupply operation?

24 A I asked it in the sense of the stolen aircraft  
25 allegation, not in the sense of, are you running an operation

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1 or are you involved.

2 Q Well, on July 29, as your notes reflect, North  
3 told you that Felix had shut down the pilots who were  
4 resupplying the contras. Did you ask Felix about that claim  
5 when you met with Felix on August 8th?

6 A I don't think I did specifically, because Felix  
7 was telling us all about the aircraft, that they were not  
8 good aircraft, and going into long expositions of that. And  
9 I felt that that sort of covered it, that he had some kind  
10 of involvement or that he knew something about them.

11 Q Well, you said, understandably, that you were  
12 surprised in the week before when you heard from North and  
13 then from Earl that Felix was involved with the resupply  
14 operation in some way, correct?

15 A Yes.

16 Q Given that surprise, why didn't you ask Felix  
17 point blank, are you involved with this resupply operation,  
18 or what is the nature of your involvement with the contra  
19 resupply operation?

20 A First, I didn't know there was a resupply  
21 operation. I only had Ollie North's allegation that Felix  
22 had shut it down, he had screwed it up; that, whatever the  
23 words he and Earl had used.

24 Q Why didn't you ask Felix point blank about that:  
25 Is there a resupply operation? Are you screwing it up? Are

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1 you involved with it? What are North and Earl talking  
2 about?

3 A. No good explanation.

4 Q. Did Gregg ask, or you, at the August 8th meeting,  
5 ask any probing questions about North's involvement?

6 A. I don't think we did.

7 Q. Did you ask any probing questions about North's  
8 relationship with Felix, how it was that they knew each  
9 other or what communications they may have been having?

10 A. I don't recall any.

11 Q. Did you advise the Vice President, you personally,  
12 after this meeting on August 8th, of what you had learned  
13 from Felix?

14 A. I did not.

15 Q. Did Don Gregg?

16 A. Not that I know of. I'm told that he did not.

17 Q. I'm sorry?

18 A. I'm told that he did not.

19 Q. By whom are you told?

20 A. Don.

21 Q. Did you have any understanding when the meeting  
22 ended as to whether Felix's allegations were going to be  
23 brought to the attention of the Vice President?

24 A. I don't recall. I don't believe we had an  
25 understanding that it would go to the Vice President.

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1 Q Did you have a view as of the end of the meeting  
2 on August 8th, 1986, as to whether the information that  
3 Felix Rodriguez had just provided you should be brought  
4 to the Vice President's attention?

5 A No, I think the more proper thing was to take  
6 these allegations and talk to other people in the U.S.  
7 Government about them before you take something like this  
8 to the Vice President of the United States, a series of  
9 allegations, a case of many little pieces, of which nothing  
10 gets.

11 Q I don't want to put words in your mouth, but was  
12 it your view at that time when the meeting ended that the  
13 information you had just received should not then be  
14 reported to the Vice President?

15 A I don't think it was negative in that sense of  
16 the word.

17 Q Did you have a view one way or the other on that  
18 issue?

19 A No.

20 Q You didn't think about it?

21 A No. My thought was -- and I think Don's thought  
22 was -- that we ought to have a meeting of other government  
23 people and find out more about it; let's pass the word  
24 out to them, tell them what these warnings were.

25 Q You discussed that with Don after the August

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1 8th meeting?

2 A I don't know whether we discussed it immediately  
3 thereafter, but we had a meeting on August 12th.

4 Q When the meeting ended, did you and Don talk  
5 about what you had just heard from Felix?

6 A I don't recall whether we did or whether the  
7 press of events carried us off to something else.

8 Q And this was fairly shocking news that Felix  
9 was giving you?

10 A Yes, we may well have. It's just that I don't  
11 recollect every single thing that we do in a day.

12 Q I understand. But Felix was now telling you  
13 that one of the most notorious, corrupt, and treacherous  
14 groups that had ever infected the United States Government  
15 was now involved in the contra resupply, correct?

16 A Yes.

17 Q These were people that were well known to Don  
18 because he was at the CIA, correct?

19 A Yes.

20 Q And they would have therefore also been well  
21 known to the Vice President, who had been DCI, correct?

22 A Well, I guess they would have.

23 Q They were known to many Americans?

24 A They were known to many Americans.

25 Q He told you also that, lo and behold, involved

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1 with this group as in effect chairman of the board was a  
2 member of the staff of the National Security Council,  
3 correct?

4 A Yes.

5 Q Would you not consider this extremely significant  
6 information for the Vice President to have?

7 A At some point probably, but not immediately.

8 Q You and Don Gregg were and still are the Vice  
9 President's two senior national security advisors,  
10 correct?

11 A True.

12 Q What do you brief the Vice President on?

13 A We brief him on things which we think are  
14 important, but also on which there is substantiated  
15 information. These were allegations made by one person  
16 and the proper course of action to me is that, rather than  
17 running to the Vice President, who may not even have been  
18 in Washington at the time --

19 Q Well, he would be back.

20 A He would be back eventually. But the proper  
21 thing to do is, since Felix was giving us information as  
22 a warning that the CIA should not pick up this operation  
23 because of the Congressional appropriation, that we would  
24 talk to the CIA and others in the government that knew  
25 about it and say: Hey, guys, here is a warning; let us

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1 give you this information, and you guys think about it and  
2 get back to us.

3 Q Colonel Watson, you know that Don Gregg and Felix  
4 go back over a decade, correct?

5 A That's correct.

6 Q They have a very close relationship; you were  
7 aware of that?

8 A I'm aware of that.

9 Q You knew that in August of 1986.

10 A Yes.

11 Q You knew that Don had recommended Felix highly  
12 for his position in El Salvador, correct?

13 A Correct.

14 Q You knew that Don had an enormous amount of faith  
15 and trust in Felix, correct?

16 A Yes.

17 Q Did Don Gregg indicate to you on or after August  
18 1986, August 8, 1986, that he for one minute doubted the truth  
19 of what Felix was reporting to you and to Don Gregg at that  
20 August 8th meeting?

21 A I don't think he told me that he doubted it.

22 Q This was not just one man coming in and making  
23 allegations?

24 A This was Felix.

25 Q This was Felix Rodriguez, who had a very close

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1 relationship of trust and confidence with the Vice President's  
2 national security advisor, correct?

3 A Correct.

4 Q So it's not to say that some isolated man landing  
5 from Mars and saying that there are bad things happening  
6 down there. In that light, didn't you consider that this was  
7 information that ought to be brought to the Vice President's  
8 attention?

9 A No, I would not speak to the Vice President  
10 immediately.

11 Q Would you take it to him after you had checked it  
12 out?

13 A I would want to get more information.

14 Q Because you doubted Felix?

15 A Not because I doubted Felix, but because I would  
16 want to check and find out what CIA knew about it, what  
17 State Department knew about it.

18 Remember, to jump out of this context for a  
19 minute, there was a Restricted Inter-agency Group. There were  
20 IG's and SIG's on Nicaragua going on, meetings which we were  
21 having a hell of a time -- which we couldn't bust into. We  
22 were refused entry to the RIG on Central America, where the  
23 rumors were that these things were going on; that they were  
24 making decisions about Central America.

25 I tried endlessly to get into those. So I didn't  
have good information on what was going on. And so what I

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1 wanted to do was to -- I thought, not what I wanted to do,  
2 but what I thought was that the way you pursue these things  
3 is that you talk to more people about them. I conducted  
4 investigations in my military positions in the past.

5 MR. LEON: Was Earle brought down to this  
6 meeting?

7 MR. BELNICK: Let me go on with this questioning  
8 and then I'll turn it over. I don't want to lose my  
9 thought.

10 BY MR. BELNICK: (Resuming)

11 Q Let's talk about the RIG for a moment. Who  
12 chaired the RIG on Central America?

13 A My understanding was Elliott Abrams.

14 Q And you said you had been refused entry into that  
15 RIG?

16 A Yes.

17 Q Who had refused you entry?

18 A Well, I think Elliott.

19 Q When?

20 A I can't say specifically, but there were at  
21 different SIG meetings, Senior Inter-departmental Group  
22 meetings, on the Nicaraguan humanitarian assistance that  
23 would go on, and you walk up to a conversation and you would  
24 hear the words: We will talk about that at the RIG.

25 And a couple of times I made the request at

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1 Elliott's office that I be invited to the RIG, given my  
2 responsibilities. And the answer always came back, no.

3 Q Did you tell Don Gregg that had happened?

4 A I think so.

5 Q And what did Don say about that?

6 A Keep trying.

7 Q Did you?

8 A Yes.

9 Q And you kept getting refused?

10 A Keep getting refused.

11 Q By Elliott Abrams?

12 A Yes. I can't say that it was two times or ten  
13 times that I made the request.

14 Q It happened more than once?

15 A More than once.

16 Q Did there come a time, then, that you or Don  
17 Gregg went to the Vice President and said: We, the senior  
18 advisors to the Vice President, are being refused admission  
19 to the RIG on Central America?

20 A I never thought of going to the Vice President.  
21 I prefer to deal with things that I can deal with, and I  
22 don't have to go tattling to the Vice President to tell him  
23 my problems that I can't solve. So the way I dealt with it  
24 was to continue to try, to listen at the SIG's on Nicaraguan  
25 humanitarian assistance.

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1           In the fall, when the NSTD was done after the  
2 Congress had authorized aid, I asked to be included in the  
3 IG on Nicaragua, and I had to write a memo saying, please  
4 include me, and I was.

5           Q     Let's go back to the RIG. Elliott Abrams  
6 chaired the RIG. Who did you understand was on the RIG  
7 aside from Chairman Abrams?

8           A     I got the impression that it was [REDACTED]  
9 and Ollie North.

10          Q     Anyone else?

11          A     Not that I know of.

12          Q     From where did you get the information that  
13 it was the three of them?

14          A     Because it was at a SIG on Nicaraguan humanitarian  
15 assistance, Elliott would say to, or [REDACTED] would say,  
16 we'll talk about it at the RIG, to [REDACTED] or to Ollie  
17 North, something like that. So I knew that at least they  
18 were on it.

19          Q     Did anyone ever tell you that it was the three  
20 of those persons who comprised the RIG?

21          A     No.

22          Q     Who chaired the SIG meetings?

23          A     Usually Mike Armacost.

24          Q     Did you ever complain to Armacost that Abrams  
25 wasn't letting you into the RIG meetings?

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1 A No.

2 Q Did you ever tell anyone on the seventh floor of  
3 the State Department that that was happening to you?

4 A No.

5 Q And you never got into the RIG meetings?

6 A Never got in.

7 Q Did you ever confront Elliott Abrams and say, why  
8 the hell are you keeping me out of these meetings, in words  
9 or substance?

10 A I think I did on one occasion.

11 Q And what did he say?

12 A He said, well, we'll think about it.

13 Q Did you tell him that was unacceptable, that you  
14 as the Vice President's deputy wanted to be at those  
15 meetings?

16 A I think I did.

17 Q And what did he say?

18 A I'm not sure if I ever heard anything back on it  
19 or whether, when I checked later in the week -- I think they  
20 were on Fridays -- he might have said no.

21 Q In any event --

22 A I never got there.

23 Q Now let's go back to August 8th. Do you recall  
24 during the discussion with Felix and you and Gregg Bob Earle  
25 entering into it?

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1 A. - Just a minute. Can I go back?

2 You've got to remember that in the United States  
3 Government, covering as many issues as I have to cover, from  
4 the Soviet Union and arms control to international economics  
5 to Mexico and those kinds of things, that you go to a hell of  
6 a lot of meetings. And you have to sift and sort what  
7 meetings to go to that are important and what aren't.

8 Q Well, you thought it was important to go to the  
9 RIG, didn't you?

10 A It was important enough to ask about.

11 Q Therefore important enough to go?

12 A It's important enough to ask, and then there must  
13 have been something sensitive going on. But at the same  
14 time, the broad picture of the United States Government  
15 policy that was being formulated at NSC meetings and SIG  
16 meetings and that sort of stuff also gave me enough information  
17 to have a general idea of what the President's policy was.

18 And yes, I would want to go, but it wasn't enough  
19 to fight about. It wasn't enough to want to know that specific  
20 technical information --

21 Q It was important enough that you volunteered it  
22 here. One of the things was that you had been refused entry  
23 into the RIG on Central America, and you had tried endlessly?

24 A Yes.

25 Q So it was important to you.

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- 1 A Several times.
- 2 Q And it was so important to you that you were cut  
3 out of those meetings that you had wanted to attend,  
4 correct?
- 5 A Yes.
- 6 Q And you thought it was wrong for you to be cut  
7 out and you still do, correct?
- 8 A And I still do.
- 9 Q Now, going back to August 8th --
- 10 A Well, there are a lot of things that are wrong  
11 in the world, but you're going to have to draw the line on  
12 where do you -- how far do you fight and when do you stop  
13 bothering about it?
- 14 Q I understand that. But Central America was an  
15 area that was one of your responsibilities, correct?
- 16 A Correct.
- 17 Q This was the RIG on Central America. What did you  
18 understand the RIG's function was?
- 19 A To talk about sensitive subjects dealing with  
20 Central America.
- 21 Q And to do what aside from talk?
- 22 A Didn't know. It was one of those things where you  
23 hear something is going on and you want to be --- you want to  
24 find out what's going on, and so you try.
- 25 Q Did you ask anyone at the SIG what the RIG was

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1 all about?

2 A I think I gathered that they were dealing on  
3 sensitive issues dealing with Central America. I presumed  
4 it was diplomatic negotiations or dealings, back channel  
5 dealings with the heads of state, that kind of thing.

6 Q What did you understand that the Abrams [REDACTED]  
7 North RIG was doing vis a vis the contras?

8 A I didn't know.

9 Q Did you know what issues they were dealing with  
10 with respect to the contras?

11 A Didn't know.

12 Q Did you ask anyone that question?

13 A I don't know.

14 Q Did the RIG make reports to the SIG meetings.  
15 that you attended?

16 A No.

17 Q And you never asked Mike Armacost, what is it that  
18 the Central American RIG does aside from talk about  
19 sensitive issues?

20 A No.

21 Q You never asked him what the sensitive issues  
22 were that they talked about?

23 A I don't think so.

24 Q Now, going back to the August 8th meeting, do  
25 you remember Gregg calling Bob Earle to come down to the

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1 meeting when he couldn't meet North?

2 A I remember that we tried to reach Bob Earle, and  
3 it was either the August 8th or the August 12th meeting,  
4 to come down. I don't recall which it was. I think  
5 Phyllis had to make several phone calls to try to get them  
6 down, and they were very reluctant to come down.

7 I think we tried initially to get North, and  
8 Earle showed up at some point. But I don't remember which  
9 meeting it was.

10 Q But to go back -- and then we will go forward --  
11 your view at the time the August 8th session ended was that  
12 this was not something that should be brought immediately  
13 to the Vice President's attention, at least not until it  
14 had been further checked out and discussed, correct?

15 A Correct.

16 Q What did you do to check out Felix's assertions  
17 about North's involvement with the private network that  
18 was operating for the contras, the Secord-Wilson group?

19 A As I remember, we had an August 12th meeting  
20 with representatives from different agencies and  
21 departments of the government, and Don briefed them on the  
22 points which Felix had made and asked them to take  
23 information on board and consider it.

24 Q That was four days later, right, August 12,  
25 1986?

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- 1 A That's correct.
- 2 Q At that meeting -- and I believe your notes of it  
3 appear at Exhibit 4 at page N-46662 -- do you recall whether  
4 Gregg told the assembled group that North was involved with  
5 this Wilson gang down in Central America, and that he was  
6 directing their efforts vis a vis the contras?
- 7 A I don't specifically recall that.
- 8 Q Do you remember if Gregg mentioned anything like  
9 that at the meeting?
- 10 A I don't recall that.
- 11 Q Nobody else does, either.
- 12 Now, in light of that can you tell me how you  
13 checked out Felix's allegations that North was involved with  
14 this corrupt group?
- 15 A I'm not sure we did.
- 16 Q Do you have a recollection of checking it out?
- 17 A No, I don't.
- 18 Q Did you ever personally confront North about the  
19 allegations?
- 20 A No, I did not.
- 21 Q Did you confront Earle about the allegations?
- 22 A No, I didn't.
- 23 Q Do you know if Gregg confronted North or Earle?
- 24 A No, I don't.
- 25 Q Tell me what you recall -- and you may look at the

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1 notes if they help -- about what occurred at the August 12th,  
2 1986 meeting? Who was there and what was said?

3 A Well, my notes said that the meeting was at 1:30  
4 on August 12, that Don, myself, Ray Burkhardt, senior director  
5 of the National Security Council staff, Bill Walker from  
6 State, Ed Corr, the Ambassador, [REDACTED] from the Agency,  
7 Jim Steel of the MIL group, and that Bob Earle came late.

8 And as I remember, Don went through his notes with  
9 the people or went through and talked them through the  
10 meeting with Felix. Mainly the focus was Secord, Clines,  
11 shoddy equipment, selling hand grenades; and that the  
12 aircraft operation was slipshod, an unsafe operation; and  
13 that would these people take the information on board and  
14 consider it as the government was setting up its resumed  
15 military assistance.

16 Q And what do you recall others saying at the  
17 meeting? Let's start with [REDACTED] Do you recall him  
18 saying anything?

19 A As I remember, he was fairly quiet. I think most  
20 people were quiet.

21 Q Do you remember whether [REDACTED] took notes of  
22 the meeting?

23 A No, I don't.

24 Q Did [REDACTED] make any statement about what the  
25 CIA's intentions were regarding this private group?

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1 A I don't recall any.

2 Q Do you recall if [REDACTED] made any statement as to  
3 to what, if anything, the Agency knew about this Clines-  
4 Wilson group?

5 A I can imagine, if he said anything, what he  
6 probably said. But no, I don't.

7 Q You don't recall him saying anything?

8 A No, I don't recall him saying anything.

9 Q What about Ambassador Corr?

10 A I remember Ed making some comments, but I just  
11 don't remember what he said.

12 Q What about Bill Walker from the State Department?

13 A I remember Bill was awfully quiet, too.

14 Q Colonel Steel?

15 A I think he said that Felix was doing a good job  
16 on the helicopter kind of stuff, but I don't remember whether  
17 there was any discussion by Jim on the other thing.

18 Q What about Colonel Earle?

19 A He got to the meeting late and I don't remember  
20 whether he ever took a seat with us in the meeting or whether  
21 he stood back leaning against a bookcase. I remember, I  
22 vaguely remember him standing outside the sort of circle of  
23 people that were sitting.

24 Q How long did the meeting last?

25 A I don't think more than 20 minutes or 30 minutes.

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- 1 Q Did anyone take notes that you saw?
- 2 A I don't remember anybody taking notes.
- 3 Q Did you?
- 4 A Only afterwards, to write down who was there.
- 5 Q So aside from that, did you make any memo of that  
6 meeting?
- 7 A No, I didn't.
- 8 Q What did you understand to be the result of the  
9 meeting when it ended?
- 10 A That we were telling the people around the  
11 government what we had heard, that they ought to take that  
12 information as the government set up the military aid effort,  
13 they ought to take it into consideration and be warned by at  
14 least us and one person, Felix, that there were problems  
15 with these people, and that the Agency especially should  
16 think very hard before they became associated with these  
17 people or bought the resupply operation that Secord and  
18 Clines were running.
- 19 Q What assurance did you have by the end of that  
20 meeting that the Agency would not pick up these people?
- 21 A I'm not sure that we had a specific assurance.  
22 I think the only assurance we had was that everybody would  
23 take the information and think about it, compare it to what  
24 you knew.
- 25 Q Did you ask any of these people to verify or to

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1 get back to you on whether they could verify the information  
2 that Felix had provided?

3 A I think we probably did.

4 Q Did you? Do you have a recollection of asking  
5 anybody to do that?

6 A I think Don probably did ask them.

7 Q Do you recall that he asked them to or are you  
8 just thinking he probably did?

9 A I'm only thinking that he probably did.

10 Q You don't have any recollection?

11 A I don't have any.

12 Q Do you recall hearing back after the meeting  
13 from any of these people?

14 A Don told me at some later point that [REDACTED]  
15 had come back and said that they were not going to associate  
16 with these people.

17 Q When did he tell you that?

18 A I don't remember when it was. I wish I could be  
19 more helpful.

20 Q Well, whatever you recall.

21 After the meeting, did you report to the Vice  
22 President on this information and what had been done with  
23 it?

24 A I did not.

25 Q Did Don Gregg to your knowledge?

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1 A I don't know.

2 Q Did you ever ask Gregg if he did?

3 A No, I didn't.

4 Q Has he ever told you whether he did or did not  
5 report this to the Vice President?

6 A Well, I think I have heard subsequently that  
7 he didn't. But I don't recall Don ever telling me that he  
8 did or did not.

9 Q From whom did you hear that Gregg did not  
10 report it to the Vice President?

11 A I think it was in the newspapers.

12 Q Did you have a view, after the August 12th  
13 meeting, on whether this information ought to go to the  
14 Vice President?

15 A No.

16 Q No view one way or the other?

17 A I thought that once we got the information  
18 together, once it coalesced, and if we heard something,  
19 that it probably should at some point.

20 Q When?

21 A Whenever the information comes back.

22 Q What information?

23 A Well, if somebody comes back and says that,  
24 yes, we know something about this, or that, no, we're not  
25 going to associate with him, that that would be an

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1 appropriate time, if somebody told me, that I would then  
2 prepare a memo to the VP summarizing it. But it never --

3 Q If [REDACTED] had gotten back to you and said, we the  
4 Agency are not going to associate with those people, you  
5 would have reported that to the Vice President and  
6 summarized what had led to it, correct?

7 A Yes.

8 Q Now, the -- did you do anything yourself to see  
9 if anybody was going to get back to you with information as a  
10 result of the August 12th meeting?

11 A No.

12 Q Were you concerned as of August 12 still that  
13 a member of the National Security Council staff was involved  
14 with this notorious group?

15 A Yes, I was concerned because Earle was being --  
16 they didn't want to come to the meeting and all that, and it  
17 concerned me that they were trying to either avoid the  
18 information or avoid discussing it.

19 Q Absolutely. Now, two and two could equal four,  
20 right? This would explain why you were getting cryptic  
21 references from North and Earle about this, correct?

22 A Yes.

23 Q This would explain why Earle was not eager to  
24 come to the meeting, correct?

25 A It could.

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1 Q This could also explain why North himself didn't  
2 appear at the meeting, correct?

3 A Yes.

4 Q It could possibly explain why you were being cut  
5 out from RIG meetings, correct?

6 A It could.

7 Q Therefore, this was highly significant  
8 information, was it not?

9 A All the individual pieces were.

10 Q And that means information that a National  
11 Security Advisor should get to his principal, correct?

12 A Should have. But I was derelict and didn't.

13 Q The information should have gone to the Vice  
14 President, correct?

15 A When it was mature information.

16 Q And certainly by some time in September it was  
17 mature, if not earlier?

18 A I couldn't say it was mature in September, because  
19 I didn't know whether we had any information.

20 Q How long would you have felt it prudent to wait  
21 to tell a principal of the National Security Council for whom  
22 you worked that a member of the National Security Council  
23 staff was the chairman of the board of an organization that  
24 was utilizing the good services of Tom Clines and company?

25 A I suspect I would have at some point, if I got

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- 1 another trigger event or some more information.
- 2 Q And if there was not a trigger event, would you  
3 have waited endlessly?
- 4 A No, I don't think so.
- 5 Q This was information that should have gone to  
6 the Vice President as promptly as possible; would you agree  
7 with that?
- 8 A No, I wouldn't.
- 9 Q Well, then when?
- 10 A I don't agree that it should have gone promptly,  
11 because it was not information that was mature enough or  
12 that was filled out enough to pass on to him.
- 13 Q What did you do to make it mature enough?
- 14 A We passed it out to those different people at the  
15 August 12 meeting and said: Take it on board, think about  
16 it, work on it.
- 17 Q Did you ask them to do it promptly?
- 18 A I don't recall whether we did or not.
- 19 Q Well, did you expect that it would have been done  
20 promptly?
- 21 A Well, I would have expected that it would be  
22 done before somebody started setting up an operation.
- 23 Q And if you didn't hear anything back, you would  
24 have checked it out?
- 25 Q Yes. But remember what I said: At some point

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1 [REDACTED] got back to Don, but I don't recall when it  
2 was.

3 Q But whenever it was, at that point at least you  
4 would have expected that a report should have been made to  
5 the Vice President, correct?

6 A One could be made orally, one could be made  
7 verbally.

8 Q Orally, verbally, in writing. I'm talking about  
9 a report to the Vice President. At least as of the time  
10 [REDACTED] reported back, the information should have gone to  
11 the Vice President in your opinion, correct?

12 A Yes.

13 MP. BELNICK: Let's take a break.

14 (Whereupon, at 12:30 p.m., the taking of the  
15 instant deposition was recessed, to reconvene at a later  
16 date.

17 \_\_\_\_\_  
18 Signature of the witness

19 SIGNED AND SWORN TO before me this \_\_\_\_\_  
20 day of \_\_\_\_\_, 198 \_\_\_\_.

21 \_\_\_\_\_  
22 Notary Public

23 My Commission expires:  
24  
25

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HSITS 99/87

1 DINKEL  
MILTON2 COPY ~~NO. 1~~ OF 2 COPIES3  
4 DEPOSITION OF CASPAR W. WEINBERGER5  
6 Wednesday, June 17, 19877 House of Representatives,  
8 Select Committee to Investigate Covert  
9 Arms Transactions with Iran,  
10 Washington, D. C.11  
12  
13 The Committee met, pursuant to call, at 10:40 a.m.,  
14 in the Office of the Secretary of Defense, The Pentagon,  
15 Washington, D. C., John Nields presiding.16 On behalf of the House Select Committee: John Nields,  
17 Robert Genzman, Roger Kreuzer, and Joseph Saba.

18 On behalf of the Senate Select Committee: John Saxon.

19 On behalf of the Witness: H. Lawrence Garrett, III,  
20 and Edward Shapiro.21  
22 Partially Declassified: 18 DEC 87  
23 Under Executive Order 11652  
24 By [redacted], National Security Council  
25 K. JOHNSON

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25DEPOSITION OF:PAGE

Caspar W. Weinberger

By Mr. Nields

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41

By Mr. Saxon

40

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By Mr. Genzmen

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By Mr. Kreuzer

92

E X H I B I T SEXHIBIT NUMBER:PAGE

CWW-1

4

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1 Whereupon,

2 CASPAR W. WEINBERGER

3 was called as a witness and, having been previously duly  
4 sworn, was examined and testified as follows:

5 EXAMINATION ON BEHALF

6 OF THE

7 HOUSE SELECT COMMITTEE

8 BY MR. NIELDS:

9 Q Mr. Secretary, I would like to say just at the  
10 outset on behalf of both the House Select Committee and  
11 the Senate Select Committee we very much appreciate your  
12 making time available to us. I know it is time that is  
13 precious to you, but it is of great assistance to the  
14 members of the committee to have testimony on the record  
15 that they can review prior to --16 A I am glad to help. Everything I have had to say  
17 is on the record at least twice, and maybe you said three  
18 times.19 Q We are hoping that with the use of some documents  
20 perhaps we can help refresh your memory further on some of  
21 these matters.22 A My memory will probably need plenty of refreshing.  
23 It is fading in all aspects, I am sorry to say, but go  
24 ahead.

25 Q Thank you very much.

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1 A Yes.

2 Q I think that's on the third page of the exhibit,  
3 the cover letter?

4 A That is. Yes.

5 Q And then the memorandum. To the best of your  
6 recollection, prior to that time, you were unaware of any  
7 such idea? When I say such idea, I mean selling arms to  
8 Iran?

9 A I have no memory of anybody raising it before  
10 then, no.

11 Q I take it that you personally read this memoran-  
12 dum?

13 A I did.

14 Q That was at about the time it was received?

15 A That's my custom. In this case, I remember  
16 specifically that I did.

17 Q And did you then make certain handwritten  
18 comments?

19 A I did.

20 Q Are those on page -- the first page of the  
21 exhibit?

22 A Well, they are on a cover memo from General  
23 Powell to me which asks if the memorandum should be  
24 passed to Mr. Armitage. I have noted on that the subject  
25 matter, the suggestions in the proposed NSDD is, as I have

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1 said here, a direct quotation, "Almost too absurd to comment  
2 on. By all means, pass it on to Rich" -- meaning Mr.  
3 Armitage. "The assumption here is that Iran is about to  
4 fall and secondly that we can deal with that or with them  
5 on a rational basis." Then I put, "It's like asking  
6 Qadhafi over to Washington for a cozy lunch or chat."

7 In other words, I was totally against the whole  
8 idea.

9 Q It seems clear. What you were just reading into  
10 the record is your own handwritten notes?

11 A On the routing slip, I think we should call it.

12 Q Which is the first page of Exhibit No. 1?

13 A Yes. Right.

14 Q Above your handwriting, I take it, is the hand-  
15 writing of General Powell?

16 A Of General Powell. That's what I read. He  
17 said, "This came in 'eyes only' for you. After you have  
18 seen it, recommend I pass it to Rich Armitage for analysis."  
19 It is signed by C.P., General Powell. It was then I added  
20 my comments, "Almost too absurd even to comment on."

21 Q I take it that means General Powell would have  
22 read it first and then routed it to you?

23 A Yes. That's the invariable custom in this  
24 office. Everything coming in for me goes to his desk  
25 first. That's been the case with the military assistants

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1 since I first took office.

2 Q When you wrote, "This is almost too absurd to  
3 comment on," what did you find absurd?

4 A The whole idea that we could get a better relation-  
5 ship with Iran or that we should do any of the things that  
6 were suggested in this memoranda. The idea that we could  
7 have -- "urgent new efforts are required. In moving forward,  
8 we must be especially careful to balance our evolving  
9 relationship with Iraq in a manner that does not damage the  
10 longer term prospects for Iran."

11 The idea that there was any possibility of any kind of  
12 better relationship with the leadership, with the government  
13 of Iran, or that Iran was about to change governments and  
14 that the successor government would be somewhat better.  
15 "The U.S. position in Tehran is unlikely to improve without  
16 a major change in U.S. policy." I disagreed with this  
17 strongly. I think that they needed a major change in Iranian  
18 policy and personnel.

19 And "a more conservative regime, still Islamic" --  
20 quoting now -- "might lessen the emphasis on revolution  
21 and terrorism and could move cautiously toward a more  
22 correct relationship with the U.S."

23 That would not be true with any of the present  
24 leadership or with any of the people likely to succeed in  
25 my opinion. And there are a great many other points I

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1 could go through in detail here, but basically my view was  
2 that we needed a total, complete change, not only with the  
3 Ayatollah Khomeini but with all of his likely successors,  
4 since he had complete domination of the government and that  
5 they weren't likely to fall in the sense that the government  
6 would change as completely as it did when the Shah fell and  
7 Khomeini came in, but that that was the kind of change we  
8 did need; and that barring that, we didn't have the slightest  
9 possibility of getting any kind of an improved relationship  
10 with people like that, whom I regarded basically from our  
11 point of view as irrational lunatics.

12 Q So I think you made this abundantly clear, but  
13 your objection to the memo, to the proposed NSDD was not  
14 limited to the proposal to sell arms? It was the entire  
15 concept that you felt was --

16 A That was I think one of the things that set off  
17 the barely suppressed fury in my tone, but the whole idea  
18 was clearly -- obviously the whole includes the lesser and  
19 the lesser was selling arms or opening any kind of --  
20 attempting to open or having a policy to open any kind of  
21 dialogue or relationship with a country that has behaved  
22 as Iran does all the time and as they had with our  
23 previous hostages.

24 Q That was going to be my next question. I think  
25 you've already answered it.

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9

1                   You did focus, I take it, on the proposal that  
2 involved arms?

3                   A    Oh, yes. Yes, indeed. Let me see if I made a  
4 special comment about that.

5                   Q    You don't need to read it.

6                   A    Develop an action plan, support a basic policy  
7 objective both for near-term contingencies as well as long-  
8 term restoration of U.S. influence in Tehran, increase  
9 contacts with allies and friends on the evolution of the  
10 Iranian situation.

11                   This at a time, not quoting now, when I am trying  
12 my best to stop the flow of arms from various people to  
13 Iran. And increase -- I have forgotten where the actual  
14 suggestion was.

15                   Q    There was a suggestion in there, I think later on,  
16 toward the bottom of the page. I can find it for you.

17                   In any event, there is a reference to selling  
18 arms and I take it, as you said, that that was not your  
19 sole objection but it was one of the things that set you  
20 off?

21                   A    Indeed, yes.

22                   Q    Did you have -- other than writing your comments  
23 in a more formal way somewhat later and sending them to  
24 Mr. McFarlane -- did you have any --

25                   A    You have got here --

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1 Q There has been a mis-Xerox on that copy which  
2 we will correct.

3 A You have page two and three of my response, I  
4 believe.

5 Q And not page one. It is missing.

6 A That's right.

7 Q But we have it in our offices and will substitute  
8 it.

9 A My recommendations reflect my very strong view --  
10 this is my memorandum commenting on this -- formal memorandum,  
11 not the note -- "reflecting my very strong view that U.S.  
12 policy must remain steadfast in the face of international  
13 lawlessness perpetrated by the Iranian regime. Changes in  
14 policy and in conduct, therefore, must be initiated by the  
15 Iranian government. By remaining firmly opposed to current  
16 Iranian government policies and actions, yet supportive of  
17 moderation and a longer term improvement in relations, we can  
18 avoid the future enmity of the Iranian people. . . " so on  
19 and so on.

20 Yes.

21 Q Did you have any oral discussions with any other  
22 officials outside the Department of Defense?

23 A I certainly had plenty with the Defense people.  
24 They were all in full agreement with the views I expressed.  
25 I think I probably talked to George Shultz about it once

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11

1 or twice. I'm sure I did, yes, about the enormity of the  
2 nonsense contained in the proposal and found that he was in  
3 full agreement. I think that was a telephone conversation.  
4 I couldn't give you the date. It was probably sometime  
5 between the time I received the document on June 18 and made  
6 my response.

7 You don't have page one of my response?

8 A I apologize. We simply for some reason it didn't  
9 get copied.

10 A Do we have it?

11 MR. GARRETT: No.

12 THE WITNESS: In mid July, about July 17, I sent  
13 McFarlane my comments suggesting that the Khomenei govern-  
14 ment's continued unacceptable behavior didn't merit revision  
15 of our policy. Under no circumstances should we now ease  
16 our restrictions on arms sales to Iran. That was the  
17 sentence I was looking for that I couldn't find.

18 BY MR. NIELDS:

19 Q Did you have any discussions with Mr. McFarlane  
20 about it or did you respond solely in writing to him?

21 A I can't remember. I may have. I may have called  
22 him up and howled a bit on the phone about what an absurd  
23 thing this was. But I'm not sure I did. I'm almost  
24 positive I did with George Shultz. I don't know whether  
25 I did with McFarlane or not.

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12

1 Q I take it you have no recollection of doing it  
2 with any other government official?

3 A No. I don't think so. I don't remember doing it  
4 with anybody else. A lot of internal discussion among a  
5 small number of people. They marked it top secret so it  
6 didn't go all over the Department. But it was a unanimous  
7 opinion here that it was absolute nonsense.

8 Q Did you focus in any way at that time on the  
9 legalities of selling arms to Iran?

10 A I don't think so. I just assumed it was -- as  
11 I said, I just felt it was almost too absurd to waste my  
12 time on. The idea of selling arms to Iran when we were  
13 trying to prevent everybody else around the world from  
14 doing that was such total nonsense that I didn't do it.  
15 I undoubtedly was aware of the various rules governing  
16 such things but I didn't order a legal opinion on it. It  
17 wasn't on a legal basis that I opposed it. It was on a  
18 policy basis with the very strongest possible views.

19 Q Understood.

20 Was it -- I take it it was your understanding  
21 subsequent to your having expressed your views in writing  
22 that nothing came of this?

23 A That was the basic feeling I had, yes.

24 Q When is the next conversation that or next event  
25 that you recall dealing with the subject of arms and Iran

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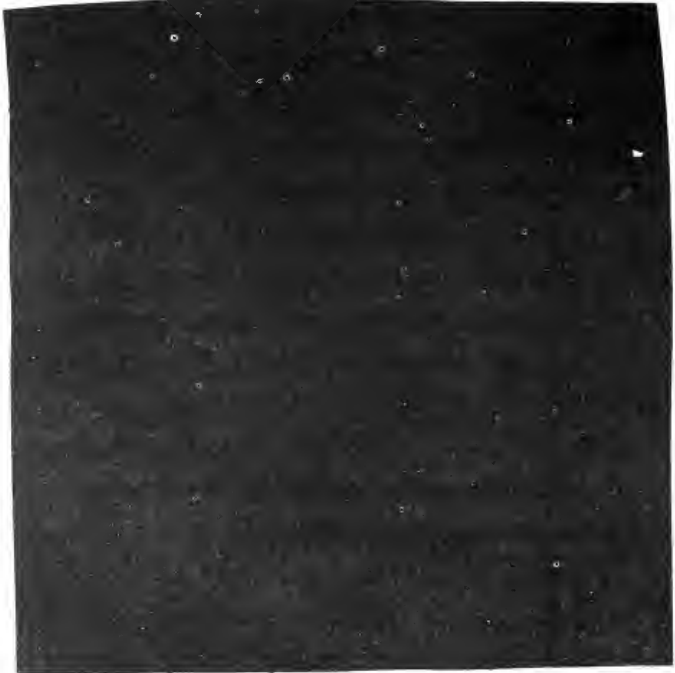
1 or further initiatives to Iran?

2 A Well, I don't know whether -- I don't have  
3 personal memory of having been present at any White House  
4 meetings in August on this subject. There may well have  
5 been some discussion but I don't have a specific formal  
6 recollection of it.

7 The next point that I do remember was that --  
8 and I assume this is all classified now?

9 Q Yes.

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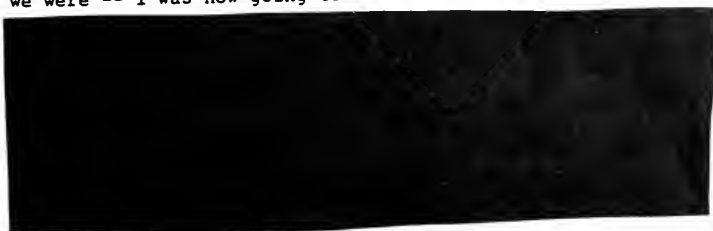
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I think at that point I demanded to know what all this was from Mr. McFarlane. Ultimately a meeting was called in the White House, I believe on December 7th.

Q Okay, now. So that your memory of the time frame  would be fall?

A Sometime in the fall, November, something like that. The meeting in early December would indicate to me that my complaints had had some effect perhaps and at least we were -- I was now going to be told what was happening.

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15

1 [REDACTED]  
2 Q I would like to go back in time and see if any-  
3 thing might refresh your memory with respect to the August  
4 time period.

5 A All right.

6 Q First, do you recall having any meetings either  
7 in the hospital or in the President's residence after he  
8 got out of the hospital?

9 A Yes. Not in the hospital, but upstairs in the  
10 White House. There was a meeting and I don't know what date  
11 that was. But memory is that it was a Saturday. I'm not  
12 sure. But I think it was a Saturday.

13 Q And what do you recall about the meeting?

14 A Well, I think there was some discussion about  
15 the idea of this, of this arms sale possibility or proposal  
16 and I argued against it and made the points that I have been  
17 making repeatedly here this morning as well as every other  
18 time the issue came up. But I don't have specific memory  
19 of that.

20 I do have a memory of a meeting with the President.  
21 I believe he was in his hospital bathrobe or something, and  
22 it was up in the White House, upstairs, the end of the long  
23 corridor, in the residence quarters. I just am not sure  
24 whether it involved this issue or not. We did have occa-  
25 sional meetings up there, budgetary issues and other pending

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16

1 problems and so on.

2 My appointment sheets have been given to you.

3 If it shows I was at the White House on a Saturday or

4 something, why, that may have been that meeting.

5 Q We were just checking.

6 There is both the August 7th and August 8, there  
7 are references, one, to an NSPG meeting and the other to a  
8 cabinet meeting at the White House.

9 A Those would -- they would have been held down-  
10 stairs, either in the Situation Room or in the Cabinet  
11 Room. I don't have specific memory of what came up at  
12 those meetings, but undoubtedly my appointment sheets, I am  
13 sure, are correct. They show where I went and what I was  
14 doing.

15 Q Your best memory is it was a Saturday?

16 A The meeting upstairs which is comparatively  
17 unusual with the President in his bathrobe, quite unusual,  
18 I do remember that. But I don't remember the -- all of the  
19 topics that were discussed. I do know that every time this  
20 issue arose, I opposed it very strongly and I remember that  
21 the December 7th meeting, after this problem [REDACTED]  
22 [REDACTED] that we did have a rather full, formal  
23 discussion of the whole thing and Mr. Shultz was there, I  
24 was there, I think Mr. Casey was there. I am not sure.  
25 Maybe Mr. McMahon. I think Mr. Casey and Mr. McFarlane.

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17

1 Q Before you get -- I do want to get into that, but  
2 there are other matters that I think it is important to do  
3 before we get to it.

4 Just so I understand, are you saying that the  
5 references in your calendar to NSPG meetings and cabinet  
6 meetings on the 7th and 8th which were not Saturdays --

7 A Of August?

8 Q Yes.

9 A Yes.

10 Q -- are unlikely to be the event you are recalling?

11 A Yes, I would think so. First of all, I don't  
12 think there was any discussion of this matter in any very  
13 large forum, that is this Iranian thing. The December 7th  
14 meeting was a small group I believe in the Oval Office.  
15 The January meeting, January 7th was also a small group  
16 in the Oval Office. And so the NSPG is a somewhat larger,  
17 more formal body with people at the table and people on the  
18 back benches and so on. Cabinet meetings are very, very  
19 large gatherings.

20 I would -- the fact I was at the White House  
21 on those types of meetings would indicate to me that these --  
22 this Iranian thing was not discussed then.

23 Q So it could have been and your memory is a  
24 Saturday?

25 A Somehow that is in my mind, yes.

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18

1 Q I will say I don't know whether you can help us on  
2 this, but I notice that in most instances, Saturdays are  
3 blank on your calendars. I drew the inference that that  
4 might have been because whoever keeps them may or may not  
5 have --

6 A No. If I have some scheduled appointments, they  
7 appear. I have, as far as I know, calendars. I don't  
8 normally make very many appointments on Saturdays. But I  
9 will come down here and do some work and things like that.  
10 But don't have too many formal appointments on Saturdays.  
11 But there are Saturdays when I have had. Yes.

12 Q At this meeting, whatever the exact date may have  
13 been --

14 A What I am saying is that we had the two memoran-  
15 dums we discussed, the request for comments and my comments  
16 about them.

17 Q Right.

18 A The only other next time I remember really very  
19 formally discussing this matter with the President or with  
20 anybody else was the December 7th meeting.

21 Q I understand it. I still need to just ask the  
22 questions.

23 Q In between, the only thing I remember very  
24 specifically were [REDACTED]

25 [REDACTED] which, as you've said, we have

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1 discussed.

2 Q Well --

3 A That isn't to say there couldn't have been some  
4 meeting in August or something at which this was discussed  
5 with the President.

6 Q It is no secret, of course, and you may or may  
7 not be aware of it, that, for example, Mr. McFarlane  
8 recalls a meeting in that time frame, August or so.

9 A Yes.

10 Q And recalls your taking a position at the  
11 meeting?

12 A I hope of opposition?

13 Q Opposition, and indeed, he said specifically that  
14 it was on, among other grounds, legal grounds that there  
15 were --

16 A Well, I trotted out all the arguments I could  
17 think of. Certainly I would have raised that. Whether  
18 I did that before December 7 or not, I don't know. I  
19 certainly did it December 7th. So it is quite possible,  
20 but I just don't recall.

21 Q I take it also you do not recall specifically a  
22 proposal in the August time frame which involved Israel  
23 in some way?

24 A No, I don't. I read about that in the Tower  
25 Commission and got questions on that in other hearings.

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1 I don't have any recollection of that. I think McFarlane  
2 at one of these meetings referred to a man named Kimche or  
3 somebody, an Israeli agent of some kind whom McFarlane  
4 placed great reliance on as a person who was recommending  
5 or who supported this course of action. But whether or not  
6 that was in the fall or whether it was only at the December  
7 meeting, I don't know. The December meeting is the one I  
8 have the major memory of.

9 You understand that there are hundreds of meetings  
10 about every subject. I can't possibly recall what the NSPG  
11 or the cabinet were, and those dates you mentioned. But  
12 somewhere I am sure we have some records of them.

13 Q That's a good point. I would like to get to that  
14 later, too.

15 There has been some -- also some public record  
16 information that in September there was a shipment of TOWs  
17 by Israel to Iran and the following day the release of  
18 Benjamin Weir. I guess the question I want to ask is, to  
19 the best of your recollection, were you aware of the  
20 reason for Mr. Weir's release at the time it occurred?

21 A No. No, I was not. I remember vaguely that a  
22 man named Weir was released, that he made a lot of rather  
23 damaging anti-U.S. comments and his wife worse, but I don't  
24 recall anything about the circumstances. I don't know  
25 anything about Israel transferring weapons to Iran.

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1 Q And I take it that --

2 A In that specific event.


3 Q And in that time frame?

4 A No.

5 Q I take it you don't recall any requests you  
6 were aware of to the Department of Defense for replenishment  
7 of those weapons?

8 A No. No.

9 Q Okay.

10 Now I'd like to move forward into this   
11 time frame.

12 A Yes.

13 Q And I guess the best way to get at it is have  
14 this document marked.

15 (Exhibit No. CWW-2 was  
16 marked for identification.)

17 MR. NIELDS: This is the one you have just  
18 opened to. There is another one in this book. Larry, you  
19 can just turn the page.

20 THE WITNESS: Prepared by me on the 19th of  
21 November. All right.

22 BY MR. NIELDS:

23 Q I guess my first question is, have you seen this  
24 document recently?

25 A Well, I've seen it within the last perhaps month,

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1 maybe two weeks, as I was reviewing material for this.

2 Q So you are generally familiar with its contents  
3 at least as you --

4 A Well, yes, generally I am familiar with it. I  
5 can refresh my memory as I go over it now.

6 These are the availability of Hawk missiles and  
7 he talks about the pros and the contra points and all of  
8 that. It was not a document I saw contemporaneously. I  
9 didn't see it at the time. Don't remember seeing these  
10 penciled notes or anything.

11 Q The penciled notes would have been notes of  
12 Mr. Gaffney. I guess we need to put his first name on  
13 the record.

14 MR. GARRETT: Yes. Hank.

15 BY MR. NIELDS:

16 Q Hank Gaffney, as is this little buck slip on  
17 the first page.

18 A All right.

19 Q But he has indicated to us that the point paper,  
20 Hawk missiles for Iran, was a document which he was asked  
21 to prepare by General Powell and Noel Koch and that it was  
22 his understanding that it was to be used by you at an NSC  
23 meeting and that he understood you wanted some arguments  
24 against the transaction that appear to be contemplated in  
25 the talking points.

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1           A     Well, that is conceivable it would have been for  
2 that December meeting. I don't have a specific memory of  
3 it.

4           The practice of the NSC was to schedule meetings  
5 and then reschedule them. I can't remember a single  
6 meeting that was held on the date it was originally sche-  
7 duled. This could have been done -- what is the date of  
8 this?

9           Q     Well, I think we have -- our best idea of the  
10 time this document would have been created is towards the  
11 latter part of the week of the 18th of November.

12           MR. SAXON: I believe he created it the 18th or  
13 19th or at least began working on it at the request of  
14 General Powell and Mr. Koch.

15           THE WITNESS: As I say, after we had the problem  
16 with the point or whatever [REDACTED] and got  
17 NSC straightened out [REDACTED] and found out  
18 the extent of this kind of thing, then I made my strong  
19 demand for a meeting and at least to find out what was  
20 going on and what all of this related to [REDACTED]  
21 [REDACTED]  
22 [REDACTED]

23           And it may have been then -- I can't remember  
24 when we were told such a meeting would be held. In the  
25 normal course, when a meeting is scheduled, a lot of

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1 material is prepared for me and the staff in order to do that,  
2 find out from the staff of whoever is holding the meeting,  
3 the NSC in this case, generally what the agenda is. So  
4 this may have been the origin of it. I don't have a specific  
5 independent memory of it.

6 I did see it in the last couple of weeks here in  
7 general preparation here.

8 MR. GARRETT: May we go off the record a minute,  
9 John?

10 MR. NIELDS: Sure.

11 (Discussion off the record.)

12 MR. NIELDS: Let's go back on the record.

13 BY MR. NIELDS:

14 Q Mr. Secretary, we have just been off the  
15 record. Maybe I should put on the record I think what we  
16 have established or believe we have established, which is  
17 that this point paper was the one, the file copy which  
18 Mr. Gaffney kept and he believes that he gave the original  
19 to General Powell sometime around November 21.

20 We have White House documents that indicate  
21 that Israel was very anxious to have some Hawk missiles  
22 replenished right at about this time. These I am referring  
23 to now -- you probably heard of these PROF notes?

24 A I have heard of them. I have never seen one,  
25 but I have heard of them.

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1 Q I will be showing you a couple later on.

2 In any event, they indicate the Israelis were  
3 very anxious to have very prompt replenishment.

4 A These are White House documents?

5 Q White House documents -- of Hawk missiles and  
6 at just about the same time, apparently, this point paper  
7 was created by Dr. Gaffney.

8 A Well, it could be that the request came from  
9 some NSC staff person and went into our staff. They do  
10 have some relationships at staff levels, particularly, as  
11 I say, in getting ready for meetings and in carrying out  
12 things. But go ahead.

13 Q Well, I guess my real question is, do you have  
14 any recollection at all of learning that the White House  
15 was trying to replenish Hawk -- Israel's missiles or was  
16 proposing to sell Hawk missiles to Iran, and do you recall  
17 getting ready to deal with such a proposal in this time  
18 frame?

19 A No.

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1 [REDACTED]  
2 But I don't have any other recollection of any -- that that  
3 was necessarily going to be the subject of the meeting or  
4 anything of that kind.

5 The meeting, as I recall it, was finally held  
6 in December on the basis of my complaints and my request  
7 for more information and presumably some sort of conclusion  
8 by McFarlane that he'd better have a wider group of people  
9 know about this.

10 But as far as the Israelis wanting to replenish  
11 or whatever, no, I don't have any specific memory of that.  
12 Our weapons sales to foreign countries are handled all  
13 through DSAA, a very -- and follow very specific formulas,  
14 have to be approved by the Congress, have to be paid for.  
15 Various undertakings have to be signed by the recipient  
16 country that they won't use them except for defense, that  
17 they won't resell them except with specific authorization,  
18 et cetera, et cetera.

19 I don't recall anybody asking us to do something  
20 in any different way or anything of the sort. Once authori-  
21 zation is approved, I don't get into the details of the  
22 transaction. I don't ask if the planes for Honduras went  
23 out last week or anything of that kind. It flows along,  
24 along an established normal path.

25 Q Would a request of this nature, of the kind

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1 that's covered in this point paper which went through  
2 General Powell, would that be the kind of thing that in  
3 the ordinary course would be brought to your attention?

4 A Oh, yes. If there was a proposal that that be  
5 done, this could be General Powell preparing himself or  
6 getting material ready that he thought I would need for an  
7 NSC meeting or something of that kind.

8 Before any use was made of it, before -- this,  
9 as I read it now, seems to be a general discussion of the  
10 background and the pros and cons of such a procedure, such  
11 a proposal. He would in the normal course assemble that.

12 If the meeting wasn't held, or the thing took  
13 care of itself otherwise, I might not hear about it. We  
14 would not be able to transfer weapons out of inventory  
15 to any country without a specific understanding from me  
16 and without specific direction. We would have the ful-  
17 fillment of congressionally approved arms sales or something  
18 of that kind would go forward without specific authoriza-  
19 tions, in each case me.

20 If you are talking about sales to a country that  
21 has never had them and is not authorized, and indeed is  
22 forbidden to have them, obviously yes, that would come to  
23 me.

24 The point paper which purports to prepare the --  
25 purports to set forth the background and various points

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1 on the subject wouldn't necessarily come to me. It might  
2 be the first cut.

3 General Powell may have said that isn't good  
4 enough, or I need something a lot better than that, or the  
5 Secretary will need such and such, or this is not going  
6 to be on the agenda so we don't need it. Under those  
7 circumstances, I wouldn't get it.

8 Q Were you aware during this time period that  
9 Israel had shipped Hawk missiles to Iran?

10 A No. I have no memory of that whatever. I am  
11 sure I would remember it because, in my opinion, it would  
12 be a violation.

13 Israel receives our things for their own use.  
14 They are not allowed to re-export them without our  
15 specific permission. We have had two or three cases of,  
16 oh, technologies that they have incorporated in some of  
17 their engines and things like that that they then wanted to  
18 export the engines. In each case, our permission is  
19 required.

end emm  
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CAS-J 1 Q So it would have been -- you are saying it would  
#1A 2 have been a violation of law for Israel to have --

3 A I don't know of anything that would have taken it  
4 out of the normal course. I haven't researched the problem  
5 and had a legal opinion on it. My view is that our  
6 Arms Export Control Act would make that kind of transaction  
7 illegal, yes. That is just my own conclusion. I haven't --  
8 as I have not researched the problem.

9 Q That kind of transaction, referring to a transfer  
10 by Israel to a third country of military equipment bought  
11 from this country under the Arms Export Control Act?

12 A Yes. Yes.

13 Q And I take it you were aware of -- at the time of  
14 no arrangement for -- involving arms and hostages in which  
15 Israel participated?

16 A No.

17 Q Moving forward to this December 7th meeting, I take  
18 it that you recall no discussion of any actual transaction  
19 involving Hawk missiles that had already occurred?

20 A I don't think there was a transaction. I do  
21 recall McFarlane was sustaining his arguments as to why this  
22 would be basically a good thing or something we could do, or  
23 something of that kind, by references to Israel, to the  
24 interest Israel had in Iran and to this man Kimche or  
25 Kimche whom he apparently regarded very highly and who I think

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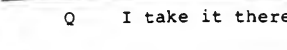
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CAS-2

1 he kept referring to as a source for the -- or as a source  
2 of support for his argument.

3 Q Just -- I want to make sure. I think you answered  
4 this, but I want to make certain. You do not recall any  
5 discussion of any transfer of arms that had already taken  
6 place?

7 A No. No. It was still the December 7th meeting,  
8 that was still in my mind, a meeting at which the proposal was  
9 being thrashed around and considered and which I was  
10 opposing, George Shultz was opposing as strongly as we  
11 could, but certainly not anything had been decided. That is  
12 why I was so unhappy   
13   
14   
15 

16 Q I take it there was no mention at this December 7th  
17 meeting of any finding that had been signed?

18 A No. No.

19 Q Okay. Well, maybe I should just let you describe  
20 the December 7th meeting which you have done somewhat.

21 A I think basically it was a basic idea of having a  
22 better relationship with Iran, that it was -- had great  
23 geostrategic importance, that they had some things they  
24 needed and that there were various people there that  
25 McFarlane was explaining the people that had been dealt with

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CAS-3

1 and so on in his travels; that they represented a different  
2 group.

3 As far as I could bring out by my questions, they  
4 were all either relatives of or office holders of the present  
5 group. My repeated conclusion -- I am sure at tiresome  
6 length -- was that they couldn't be either expected to  
7 nor would have any different viewpoints or they wouldn't  
8 be holding office in that kind of government.

9 I also talked many times about the incongruity at  
10 least of selling arms to Iran when we were trying to persuade  
11 other countries not to sell and that any likely benefit  
12 in the way of hostage release or generally better relationships  
13 that might lead to hostage release would be viewed by most  
14 people as trying to buy the release, which we strongly  
15 opposed.

16 Negotiations with the kidnappers, so to speak, and  
17 all of that. These points, as well as the way it would look  
18 to our moderate Arab friends, I described a long antipathy  
19 the Saudis had to the Iranians, the even stronger antipathy  
20 the Jordanians had.

21 All of these things I thought would be very adversely  
22 affected by attempting to make any such opening with this  
23 country.

24 Q Where was the meeting?

25 A I believe the meeting was in the Oval Office.

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CAS-4 1 Q Do you have any recollection of it being in the  
2 President's residence?

3 A No. It is possible. It is possible.

4 Q Who else was present?

5 A Well, George Shultz was present and made the same  
6 basic arguments I did.

7 Q Mr. McMahon?

8 A McMahon may very well have been there. There was  
9 one or two of these meetings when Mr. Casey was travelling.  
10 McMahon may have been there.

11 McFarlane was there. Don Regan was at almost  
12 every meeting I attended. I believe that is generally the  
13 case.

14 Q Admiral Poindexter there?

15 A Usually was with McFarlane. I can't say whether  
16 he was or was not at this meeting. Might very well have  
17 been. He was frequently there.

18 Q Was it McFarlane that was doing the presentation,  
19 so to speak?

20 A Pretty much in my memory, yes.

21 Q What was his position?

22 A Well, I think he was talking about the benefits  
23 that could be obtained if we could get a better relationship.  
24 He talked a lot about geostrategic terms, things like that.  
25 Nobody doubted or denied that Iran was in a very critically

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CAS-5

1 important position. I think I made the point -- as I  
2 frequently did -- that we needed a good relationship with Iran.  
3 We used to have one.

4           It was our fault we didn't now, that we let the  
5 Shah fall without doing the things we should have done. And  
6 we got, because people were worried about the oppressive  
7 government, we got instead the most oppressive government  
8 since the middle ages in the fall of Khomeini, that we  
9 couldn't do business with them, they were fanatically  
10 anti-American, virulently anti-Western and anti-American.  
11 The people he was talking about were not people who could be  
12 expected or indeed were any different and we shouldn't do  
13 this.

14           George Shultz made the same point. I think he  
15 emphasized particularly the problem with other relationships  
16 with other Arab countries and the way it would be viewed  
17 by other friends whom we had been pleading with not to make  
18 sales to the Iranians.

19           All of these arguments were set out in great --at  
20 great length.

21           Q     Did McFarlane argue the other side?

22           A     Not a great deal, no. He rarely did that kind of  
23 thing. I always had a great deal of difficulty knowing  
24 what either McFarlane meant or where he stood. He was  
25 very, very close-to-the-vest type of approach in almost

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CAS-6

1 everything.

2 But he would frequently make points that were designed  
3 to show that there was another side or things like that.

4 Q How about Poindexter? What was his point of view,  
5 do you recall?

6 A I don't think Poindexter spoke very much at meetings  
7 where McFarlane was present. He was the deputy and he was  
8 basically a quiet fellow anyway. McFarlane was certainly  
9 not a flamboyant arguer in favor of this, but he was very --  
10 he was -- struck me as a person who basically favored it, but  
11 was not, was not getting too far out in front.

12 Q Regan?

13 A I think Don was mostly listening at that meeting.  
14 I don't recall that he had anything very much to say.

15 The President also did not have a great deal to say.  
16 What he said seemed to me to be basically in agreement with the  
17 points that George Shultz and I were making.

18 He expressed understanding of the noise this would  
19 cause in other countries. That kind of thing.

20 Q Do you recall McMahon speaking out?

21 A I think McMahon basically was opposed to it. I  
22 think he generally took the position that their intelligence  
23 estimates and their intelligence activities -- first, their  
24 intelligence estimates were basically in agreement with points  
25 I was making, that we couldn't really expect anything from

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CAS-7

1 these people and that the effect on intelligence gathering  
2 in other countries might be adverse. Something like that.  
3 My impression was McMahon was against it.

4 Q Do you recall --

5 A And I also felt the President was against it.

6 Q Do you recall raising the issue of legality?

7 A Not specifically, but I am rather sure that that  
8 was one of the points that I did make, that you couldn't  
9 sell arms without congressional approval and that there  
10 was, indeed, I believed at that time, a -- some sort of formal  
11 boycott or ban on this holding over from the hostage days.

12 Q Ban on sales to Iran?

13 A Yes. Yes. I was not reading a legal opinion.

14 Q Understood.

15 A I was freewheeling my own legal opinions.

16 Q Forcefully?

17 A Oh, I am afraid always, yes.

18 Q Now, I need to ask you some very specific questions.

19 A All right.

20 Q Do you recall the President saying in response to  
21 your legal arguments that the people would never understand  
22 it if he failed to release American hostages simply because  
23 he was worried about breaking the law?

24 A No. Not that.

25 Q Let me keep going and ask you -- because I want to

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cas-8

1 give you the whole thing to see if it refreshes your  
2 memory.

3 A All right. There is no question -- start with  
4 this -- no question the President was very, very worried and  
5 very concerned about the hostages being held and always had  
6 been.

7 He is a very humane man and a person who worries  
8 a great deal about the fate of Americans being held anywhere.  
9 There is no secret about that. He mentioned that not just in  
10 this connection, but at many other meetings. This has always  
11 troubled him very much.

12 Q Do you remember him saying something to the effect  
13 that he was willing to take that risk and in an undoubtedly  
14 jocular vein visiting days are Wednesdays, or visiting days  
15 are Thursdays?

16 A No.

17 Q And let me complete it. Do you recall saying to  
18 him, yes, Mr. President, but the problem is you won't be  
19 alone?

20 A No. No. There wasn't anything of that kind. I  
21 made the point that it was -- at some point, then or in the  
22 January meeting, maybe both, that it was illegal among other  
23 things, but I also talked on the policy aspects of it. I  
24 talked on the effect it would have on our friends. I  
25 talked on the idea that it wouldn't accomplish what we wanted

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CAS-9 1 to do in any event because of the kinds of people in Iran.

2 The only thing that strikes at all a home chord  
3 was that the President at some time, some meeting, said  
4 the American people or no one could forgive me if I didn't  
5 do everything possible to get Americans who are held anywhere  
6 released, but it was not in the connection of violating the  
7 law or anything like that.

8 The phrase I would -- the American people would  
9 never understand if I didn't do everything possible,  
10 something along that line, to release, or to get Americans who  
11 are held anywhere in the world freed.

12 It was more in that general vein. I don't recall  
13 anything about the President ever saying anything about  
14 violating the law. But there were an awful lot of  
15 other meetings.

16 Maybe somebody else heard that. I didn't hear that.

17 Q Well, I guess I should say there is a report that  
18 something like that was said and that you replied, yes,  
19 but the problem is you won't be alone.

20 A No. I don't have any memory of that whatever.

21 Q I don't know if that was in a jocular vein.

22 A It doesn't sound like anything anybody would joke  
23 about or anything of that kind. I don't know who your  
24 source is, but in my time in Washington, I have encountered  
25 some extremely unreliable sources.

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CAS-10

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Q I don't think this would qualify as an unreliable source.

A All right. I don't recall that conversation.

Q Okay. Fine.



Q Anything else about that meeting that you recall?

A No. Except that the impression I came away from that meeting was that the President had understood and basically agreed with all of these arguments, still was sort of frustrated at not being able to do anything about getting the hostages out. There is one other point that is extremely sensitive.

I don't know quite how to make sure that it doesn't go any further, because it still is a live possibility. I will rely on everybody here.

That is that --

MR. GARRETT: Mr. Secretary, maybe as a way of explaining we could go off the record if it is that sensitive.

THE WITNESS: I would rather go off the record.

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CAS-11

1

MR. NIELDS: Let's go off the record.

2

(Discussion off the record.)

3

MR. NIELDS: Let's go back on the record.

4

We have just been off the record. The Secretary

5

indicated while we were off the record that at some

6

point during the meeting on the 7th,

7

8

THE WITNESS:

9

MR. NIELDS:

10

11

12

MR. SAXON: I believe you said, Mr. Secretary,

13

that was also discussed at the January meeting?

14

THE WITNESS: I think so, yes. It was mentioned

15

two or three times by me. I am pretty sure it was at

16

both meetings that it was mentioned. Each time he indicated

17

that this is what he would like to do.

18

BY MR. NIELDS:

19

Q Okay. Anything else you recall about the

20

December 7th meeting?

21

A No. Except the general impression I had coming

22

away from it was that the President had concluded that

23

this thing would not work, that arguments that George and I

24

made were right, and that he was accepting it and that that

25

finished it.

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CAS-12

1 I believe I reported that back to very few people.  
 2 So far as I know General Powell, when I got back. I  
 3 indicated this little excursion had been finished. I think  
 4 I used the expression that it had been strangled in its  
 5 cradle.

6 MR. SAXON: May I ask a couple of quick questions?

7 EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

8 BY MR. SAXON:

9 Q Do you recall having been given any piece of paper  
 10 by Richard Armitage prior to the December 7th meeting that  
 11 explained the workings of the Arms Export Control Act and  
 12 outlined legal positions?

13 A Not specifically, but Mr. Armitage did give me  
 14 advice and background material whenever I requested it. It  
 15 may have been that General Powell had assembled such a  
 16 document in preparation for the meeting.

17 I don't have a specific memory of it.

18 Q Second, sir --

19 A At almost every meeting where we had an idea what  
 20 the agenda was, there would be preparatory material arranged  
 21 for me and given to me by the staff here.

22 Q Second, [REDACTED]

23 [REDACTED]

24 [REDACTED] do you recall Mr. Armitage  
 25 telling you that he called Colonel North over for lunch on

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CAS-13 1 December 3 and, in fact, asked him, Ollie, who is doing this,  
2 and Colonel North said, "it is me"?

3 A Yes.

4 Q Did he report the gist of that?

5 A He reported that. I can't tell you what time it

6 was

7

8 -- at some point right in  
9 that range, he told me that.

10 Q He has consulted his calendars and dates it in his  
11 deposition on December 3rd and says he recalls having briefed  
12 you before the December 7th meeting?

13 A Yes. Colonel North responding as you have just  
14 said.

15 Q Finally, I don't think we got on the record, John,  
16 the Secretary's statement that the Gaffney point paper --  
17 you indicated you had not seen it contemporaneously. I  
18 think you told us off the record also a search of your  
19 files did not surface this document; is that correct?

20 A That is correct, yes.

21 MR. SAXON: Thank you.

22 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

23 BY MR. NIELDS:

24 Q What is the next event you recall in this Iranian  
25 story?

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CAS-14 1           A     A meeting in January. A meeting in January at  
2           which time --

3           Q     Where?

4           A     Oval Office, again, I believe.

5           Q     Who was --

6           A     Pretty much the same cast. I believe --

7           Q     McFarlane is now missing.

8           A     Yes. But -- he has left the government. Whether  
9           he was at that meeting or not, I don't know. He may very  
10          well still have been at the meeting. Otherwise -- and  
11          Mr. Casey was there.

12          Q     Was this something that was on an agenda?  
13          Were you advised in advance?

14          A     No. This was -- well, I am sure we had a day or  
15          so notification of it, although the NSC will call meetings  
16          sometimes at half-an-hour's notice or sometimes they will  
17          call them and postpone them for several days.

18                     In any event, I got over there. It was a noticed  
19          meeting of some kind. I don't know whether there was  
20          anything on the agenda or whether a formal agenda circulated  
21          ahead of time or not.

22                     I don't think it was. It was not a NSC meeting.  
23          It was a small group. It was in the Oval Office.

24          Q     Were you aware in advance of what the subject matter  
25          of the meeting was?

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CAS-15 1           A    Yes, a little bit. I have to confess with some  
2           irritation, because I thought the subject had been finished.  
3           We went over and essentially went through the same points  
4           and same arguments again.

5                     There were various reports of continuing  
6           negotiations as it seemed to me, procrastinations with the  
7           Iranian people, these people they had been meeting with  
8           from time to time. Nothing had happened.

9                     Nothing had come of it. I made the same  
10          arguments I thought as effectively as before or as  
11          ineffectively, certainly as strongly. George Shultz did the  
12          same.

13                    In fact, George Shultz ticked off a whole list of  
14          points. I think he even had some notes and was making very  
15          strong arguments against it with which I told the President  
16          I fully concurred and made my own arguments.

17                    Some of the same points, some others. But this  
18          time the President's reaction was quite different. I got  
19          the strong impression he had concluded he was going to do  
20          it anyway, was going to go ahead with it, had decided he  
21          was going to do it.

22                    I don't know McFarlane or Poindexter said a great  
23          deal, although the points were -- again, got the impression  
24          they were basically for it still, although McFarlane was  
25          reporting some troubles he had with some of the Iranians

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CAS-16 1 he was dealing with. I think one of the points George Shultz  
2 made was that one of the Iranians was one of the widely  
3 known liars of the Middle East or something.

4 Q Mr. Ghorbanifar?

5 A I guess so, yes. About four or five different  
6 names. They all were equally bad as far as I was concerned.

7 Q Do you know what day this meeting occurred on?

8 A I think it was January 7th. I think it was --  
9 I believe that.

10 Q Your records that you provided to us reflect  
11 that you went to the White House on the 7th, leaving here  
12 at 1046 and returning at 1308.

13 A Those were undoubtedly correct. They keep very  
14 meticulous watch on me.

15 Q So the best of your recollection and judgment would  
16 be that it was during that trip to the White House?

17 A Yes, I believe so. I think it was on January 7th  
18 and as the other meeting had been on December 7th

19 Q Your calendars also reflect a meeting with  
20 Admiral Poindexter, so far as I could determine it would have  
21 been here, the day before attended by General Powell?

22 A This would have been January 6th?

23 Q January 6th?

24 A It may have been that he came over to talk about the  
25 fact that this was going to be on the agenda of the meeting

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CAS-17 1 next day or something. Sometimes he did that, but not  
2 usually. But bear in mind, this was obviously a very  
3 closely held activity at the White House.

4 He may conceivably have done that.

5 Q Do you have any recollection of it?

6 A Not specifically, no.

7 Q Do you have any recollection of there being  
8 any discussion either in advance of the meeting or during  
9 the meeting of the way in which the transaction would be  
10 structured?

11 A This was the January 7th meeting?

12 Q Yes.

13 A No. Because at the January 7th meeting, there was  
14 not a formal decision that we were going to do this. I  
15 got a strong impression that the President was leaning that  
16 way and had pretty well concluded that that was what he was  
17 going to do. But we didn't leave that meeting with the  
18 President saying, well, I am going to do this or anything of  
19 that kind.

20 But I got the strong impression from that meeting  
21 that he was going to do it as I had the strong impression  
22 exactly the other way in December.

23 Q Do you recall whether Israel was discussed at the  
24 January meeting?

25 A No. I don't. Though, again, it may very well have

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CAS-18 1        been mentioned in the same connection that they had  
2        interests in Iran also and this would serve their purposes.  
3        And then there was some discussion of Israel's cooperation  
4        in some way with it.

5                    Some joint -- I remember making the point that we  
6        would be -- if this came out at all, that there would be  
7        some additional risk to breaking the confidentiality  
8        of it because of getting more and more people involved.

9                    I think Israel was mentioned in that connection.  
10       I think George Shultz made that same point.

11                  Q     I take it arms was discussed at the meeting? Were  
12       discussed at the meeting?

13                  A     I think arms were discussed as one of the ways of  
14       getting this better relationship, yes.

15                  Q     And hostages?

16                  A     The hostages were part of the discussion always.  
17       The principal benefits that were to come from it were always  
18       this better relationship with Iran and the need for that and  
19       that a side benefit, so to speak, or there would be some  
20       increased possibility of hostages and, of course, the  
21       President was always very, very concerned, as I have said,  
22       about hostage -- any American being held hostage or kept  
23       against his will anywhere in the world.

24                  Q     Whose arms were being discussed to your recollection?

25                  A     Well, I think that we would, as part of the

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CAS-19

1 transaction, there would be -- or part of the way of showing  
2 good faith, I believe is the expression, the way it was  
3 phrased. I had a lot of adverse comments about how you  
4 showed good faith to the Iranians and all.

5 One of the ways you did that was to transfer  
6 arms because that is what they wanted most. And I think I  
7 made the point, of course, that is what they wanted most,  
8 that is what we had been trying to block all over the world  
9 and things like that.

10 Q Do you recall -- and if you don't recall, that is  
11 fine. But do you recall whether it was U.S. arms direct to  
12 Iran that was being discussed?

13 A I think they were down at the January meeting to  
14 some specifics about the TOWs. I think that is when I  
15 first -- although it conceivably may have been raised by  
16 Poindexter the day before.

17 But I believe they were now talking about the TOW  
18 missiles in some specifics.

19 Q Were these U.S. TOW missiles that would be sold  
20 directly to Iran or were these --

21 A They were U.S. TOW missiles that would go to Iran  
22 and we knew the destination of them, yes.

23 Q Do you recall any discussion that it would be  
24 Israeli TOW missiles that would go to Iran and U.S. TOW  
25 missiles that would go to Israel?

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CAS-20 1           A    No. I don't recall that aspect of it. I have seen  
2 a lot about it since, but to the best of my memory,  
3 trying to go back and focus on what was discussed at that  
4 time, I don't have memory about that. But certainly I have  
5 read a lot about that.

6                    But there is no doubt McFarlane in the initial  
7 discussions and I think later John Poindexter all emphasized  
8 the fact that this was something the Israelis were also  
9 very interested in and would work with us on, I expressed  
10 reservations about that as another of the means by which this  
11 desire to hold this very closely, which obviously was part of  
12 a whole scheme, would not be able to be realized.

13                  Q    Was it your-- I take it you said it was your  
14 impression at the end of that meeting that the President was  
15 now leaning in favor?

16                  A    Yes. Very much so.

17                  Q    But that there had not been a decision reached?

18                  A    That is correct.

19                  Q    Do you recall being told one way or the other  
20 whether there was a finding?

21                  A    No. No discussion of that.

22                  Q    No discussion of a finding?

23                  A    No discussion of that.

24                  Q    I take it you are reasonably certain of that?

25                  A    Yes. Yes. I didn't know about a finding until

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CAS-21

1 very much later.

2 Q As you may have heard, there were two findings  
3 signed, one of them on the 6th of January and one on the  
4 17th of January?

5 A I have heard that, yes. I did not see it for very  
6 much longer, way past that. And the first one I was shown was  
7 not signed by the President. It was a blank finding.

8 Q What is your next -- what is the next event  
9 that you recall?

10 A The next event is that sometime after this meeting,  
11 Poindexter called and said there had been a decision and that  
12 they were going to send TOWs to Iran as part of this to get  
13 this better relationship and to show our good faith, show the  
14 negotiators of Iran that they really -- our people really  
15 represented the United States.

16 And I made a lot of objections and strong protests  
17 about that and was told that it was a presidential decision  
18 and that it would be necessary to proceed.

19 We then discussed it internally here and concluded  
20 that the only way that it could be done was to transfer it  
21 to another agency, to the CIA, which is the way covert  
22 operations are handled and that it would have to be what I  
23 called an Economy Act transfer.

24 That is to say, that it would have to be a  
25 transfer to another U.S. Government agency, the CIA, and

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^AS-22 1 they would pay us the proper value for the TOW missiles and  
2 that they would then do whatever they did or were directed  
3 to do, but that our transfers and everything we did would  
4 be from Defense to CIA only, nothing more, and that we would  
5 have to be paid for them and it would be a legal, normal  
6 transfer of the kind that we make to other agencies on a  
7 reimburseable basis.

8 Q Now, was this notion of doing it as an Economy  
9 Act transfer and then as an intelligence activity, was that  
10 something that was arrived at after the decision to proceed  
11 or was it --

12 A Yes.

13 Q I want to make sure I get the full question on the  
14 record this time.

15 Was it something that had to be resolved before the  
16 decision could be made?

17 A To the best of my memory, we didn't consider the  
18 possibility of doing it at all until after the January 7  
19 meeting and after the call from Admiral Poindexter.

20 And it was at that time that we started to work  
21 out how we would do it, this being a direct Presidential  
22 order.

23 Q Do you remember exact dates of these calls?

24 A No. Not really.

25 Q Okay. I would like to show you some things and

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CAS-23

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see whether it is going to help any. I promised you some

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PROF notes.

3

I want to let you look at one. They are in your

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book there.

5

Let's mark this exhibit 3.

6

(Exhibit No. C.W.W. 3 was marked for identification.)

end 1A

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1 (Discussion off the record.)

2 BY MR. NIELDS:

3 Q Mr. Secretary, I am putting in front of you a  
4 document which has been marked Exhibit 3 -- rather, it is a  
5 copy of a document marked Exhibit 3. It is one of the  
6 so-called PROF notes to Poindexter dated the 15th of January,  
7 1986.

8 A 15th of January?

9 Q Yes. That is up in the upper right hand corner.  
10 It even tells you 101 and 6 seconds. That is the time.

11 A Yes. I see.

12 Q And it -- I will just read into the record the  
13 beginning of it. "Casey believes Cap will continue to  
14 create road blocks until he is told by you that the  
15 President wants this to move now" -- in capital letters --  
16 "and that Cap will have to make it work. Casey points out  
17 that we have now gone through three different methodologies  
18 in an effort to satisfy Cap's concerns and that no matter  
19 what we do there is always a new objection. As far as Casey  
20 is concerned, our earlier method of having Copp deal  
21 directly with the DOD as a purchasing agent was fine. He did  
22 not see any particular problem with making Copp an agent for  
23 the CIA in this endeavor, but he is concerned that Cap will  
24 find some new objection unless he is told to proceed."

25 That raises a number of questions I want to ask you.

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1                   One is, do you have any recollection of different  
2 methodologies being tried out on you and you objecting to  
3 each one?

4           A     Well, I don't have any very specific -- this  
5 certainly is an interesting note. I hadn't seen this one  
6 before.

7                   I think there was a proposal that we simply transfer  
8 these to Iran directly or that we give them to somebody  
9 who would do that directly, and I had some legal work going on  
10 and had some staff work going on and was pointing out  
11 that -- all the objections and all the problems to that and  
12 that we had really no way in which we would sell to Iran and  
13 that we could -- my advice was that we could sell to a  
14 government agency, the CIA, that we did covert operations  
15 this way. That is to say, when we had a regular covert  
16 operation involving maybe one of a number of countries that  
17 were all covered by findings and all, that we would transfer  
18 to the CIA and that they would then carry out the covert  
19 finding.

20                   But I guess I was as recalcitrant here as Casey  
21 points out. I don't know. I didn't know about this. I don't  
22 know who Copp is.

23           Q     That was going to be my next question. That is  
24 General Secord.

25           A     I never heard of Copp.

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1 Q That was a code name for General Secord. Were you  
2 aware that General Secord was involved in this thing at that  
3 time?

4 A No, not really. At some point, Mr. Armitage  
5 told me that Secord, whom I had not seen really since he  
6 retired from the Army, from the Air Force, was going to be  
7 one of the agents he used or something of that kind, and --  
8 but I don't remember the time at which he did this.  
9 I know he was helping out -- Armitage, whom I have the greatest  
10 faith and confidence, and who worked with General Powell  
11 very closely on this, was one of the other people -- only other  
12 people in the Department who knew about it because of the  
13 White House desires to hold it so closely.

14 He advised me he had found out Secord was going to  
15 be involved in some way or the other.

16 Q Did --

17 A I made the continued position that the only thing  
18 I thought would do it would be to sell it to the CIA and let  
19 the CIA deal with them as they did with other covert  
20 activities.

21 Q What this PROF note implies is that somebody wants  
22 this transaction to happen?

23 A Oh, yes.

24 Q And that you are making legal objections?

25 A Yes.

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Q You were telling them no, you can not do it?

A That is right.

Q They try another way, and you still say you can not do it?

A Very recalcitrant.

Q That is also illegal.

Now, is it -- again, you may not have a recollection on this, but is it your recollection that this time period in which you are raising legal road blocks, as they call it, was after a decision in principle had been made to go forward or before?

A To the best of my knowledge, after the January 17th meeting, the first --

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#2A

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1 Q Do you mean seventh?

2 A The seventh meeting. The first time we learned  
3 there was an actual decision was when Poindexter called  
4 and told me that that had happened and my memory is that  
5 that was around the 17th, the 18th, something of that  
6 kind, at which point I got General Powell in and told him  
7 that apparently that order is to be done. I was very  
8 unhappy with it.

9 Q Let me show you another one.

10 A All right.

(Exhibit No. CWW-4 was  
marked for identification.)

11 THE WITNESS: This is January 15th?

12 BY MR. NIELDS:

13 Q I put in front of you a copy of a PROF note  
14 from North to Poindexter that has been marked Exhibit 4.  
15 It is the same day but later in time. It is about 6:37 p.m.  
16 that this note is written.

17 At the bottom of the note, it says, "In  
18 accordance with instructions have invited Secretary  
19 Weinberger to meet with Casey in your office at 1700 on  
20 Thursday."  
21

22 I should tell you that Thursday is the 16th  
23 of January. So it is the next day.

24 As you can see, it is all on the subject again  
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1 of the TOWs and the hostages.

2 A The Israelis are very, very concerned they can't  
3 make a delivery of the TOWs without a promise to replenish,  
4 et cetera, et cetera. The Israelis may withdraw.

5 I never saw it before.

6 Q No. I am sure you hadn't seen it.

7 Again, I'm simply seeing whether this refreshes  
8 your memory and we can piece the events together using  
9 these documents.

10 Exhibit 3 has North telling Poindexter that  
11 somebody is going to have to tell you to stop raising  
12 roadblocks and then later in the day, apparently he has  
13 received instructions to have you come down and meet with  
14 him and Casey the next day at 5:00 in the afternoon.

15 A Yes. Which would have been January 16th.

16 Q January 16th.

17 A What do my diaries show?

18 Q Your diaries show at 5:00 p.m., you saw -- well,  
19 your handwritten calendars, which are prospective, as I  
20 understand it, show a 5:00 meeting with Poindexter.

21 Your actuals --

22 A Rubbed out everything on the handwritten notes  
23 on the calendars. Keeps getting rubbed out 22 times.

24 Q This one looks like it occurred. You left for  
25 the White House at 1615 and returned at 1856.

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1           A     All right. Then I wouldn't challenge that for a  
2 moment.

3           Q     So it looks as though you did go down and actually  
4 have a meeting with Poindexter?

5           A     It does, yes.

6           Q     It looks as though from Poindexter's point of view  
7 the purpose of the meeting was to somehow or other remove  
8 you as a roadblock or convince you that --

9           A     Well, I would -- that may very well have been  
10 the place at which the formal Presidential decision was  
11 conveyed to me. I don't know. It wasn't so much a road-  
12 block. I was simply saying that we weren't going to do  
13 this in the way that if we had to do it at all, we weren't  
14 going to do it in any way that was illegal.

15          Q     Illegal?

16          A     I didn't know we had any direction to do it  
17 until Poindexter -- my impression was that Poindexter  
18 telephoned me and he may have telephoned before this  
19 meeting. That's the way I learned about it. But this  
20 would indicate that I attended a meeting in his office,  
21 which I did from time to time. Frequently Mr. Casey was  
22 there and so on.

23          Q     I should tell you we have some other information  
24 and nothing is unimpeachable in this world, but we have  
25 other information that Mr. Sporkin, who was the CIA General

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1 Counsel, attended that meeting?

2 A With Mr. Casey?

3 Q Yes. On the 16th?

4 A All right.

5 Q And with you. And that it was at that meeting  
6 that it was determined to use the Economy Act and the  
7 finding as a way of solving the --

8 A To the best of my memory, the Economy Act was  
9 my idea. I was familiar with it from OMB days. It seemed  
10 to me that this was important for the Department to be  
11 reimbursed for any transfers and that that was one of the  
12 requirements of transferring from one agency to another.

13 I don't remember meeting with Mr. Sporkin, but  
14 it is perfectly possible he was there with -- was Mr. Shultz  
15 at this meeting?

16 Q We have no evidence that he was there.

17 A In any event --

18 Q Mr. Sporkin --

19 A There was an insistence on my part, which I  
20 remember repeating many times, that we had to -- it had to  
21 be an Economy Act transfer and it should be just to CIA.

22 Q Sporkin has a recollection that you took the  
23 final proposal back with you and said you wanted it -- to  
24 run it past your lawyers?

25 A That sounds right.

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1 Q As the record now reflects, it was on the 17th  
2 that the finding that was actually used was finally signed.

3 A I didn't see it.

4 Q I take it you can't be sure whether, as you say,  
5 the decision to proceed was communicated to you on the  
6 16th or the 17th or earlier?

7 A No. No, it was in that general time.

8 Q I think you've put it as a fact that it was  
9 communicated to you that this was a requirement?

10 A A decision of the President.

11 Q Yes.

12 A Yes.

13 Q Does that -- is it normal that decisions are  
14 communicated to you in that fashion?

15 A It's not abnormal. No. Sometimes you get a  
16 decision paper. Sometimes you get an oral report of it  
17 and I knew that Mr. Poindexter met with the President  
18 every day and I knew he'd never lied to me before.

19 Q No, I am sorry. I am not asking my question  
20 correctly.

21 What I am getting at is, is there a distinction  
22 in your mind between a requirement that DoD do something and  
23 a request that it do something?

24 A Well, not when I'm told the President ordered  
25 it.

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1 Q So any time the President makes a decision, it  
2 would be a requirement in your mind?

3 A Yes. That's right. We also had this general  
4 view at that meeting -- and as I said and recall, Mr. Sporkin  
5 wasn't there -- the general view at that meeting was this  
6 was the only way it could be done. I did as you mentioned.  
7 I said, Well, I want to consider that further and see if our  
8 people are in agreement.

9 Q Do you recall an issue with regard to the price  
10 that the Israelis would pay for DoD TOWs?

11 A No.

12 Q Do you recall an event in which Noel Koch came  
13 to your office in early to mid January and indicated that  
14 he had just met with the Israeli purchasing agent at  
15 National Airport and had negotiated a good price on the  
16 TOWs?

17 A No. No, I don't.

18 MR. SAXON: This would have been a meeting at  
19 which General Powell and Secretary Taft were also present.

20 THE WITNESS: Don't have any memory of that.  
21 I don't recall Noel Koch being very actively in this or  
22 at least at meetings. It may be that General Powell used  
23 him from time to time, but discussions I had were primarily  
24 with, as far as I can recall, with General Powell and  
25 Richard Armitage.

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1 BY MR. NIELDS:

2 Q Do you recall -- does it ring any bell --

3 A Are you talking all the time now about sales to  
4 the Israelis?5 Q I am talking about sales, as you can see from  
6 these PROF notes, there is apparently a discussion at this  
7 time of the Israelis selling to the Iranians and the U.S.  
8 replenishing the Israelis?9 A Yes. I think I raised objections. Maybe this  
10 is one of those roadblocks I was supposed to have been  
11 throwing into the thing. But my feeling about that was,  
12 as I've mentioned to you earlier, that the Export Control  
13 Act doesn't permit a blanket approval in advance or anything  
14 of that kind and does not permit exports, did not permit  
15 exports to Iran, neither that Act nor some others, and did  
16 not permit the Israelis to export anything we hadn't  
17 specifically authorized.18 Q So if Israel had earlier purchased weapons  
19 from the United States under the Arms Export Control Act  
20 and not pursuant to an intelligence activity, your position  
21 was that the law forbade them to transfer them to any third  
22 country without going through various kinds of waivers  
23 and reporting requirements?

24 A Yes. Right.

25 Q And --

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1 A You said the law what? The law did not permit?

2 Q Did not permit. Forbade is the word I used.

3 A Yes.

4 Q My question is, do you recall that there was one  
5 of the problems that was -- that came up in connection with  
6 dealing through the Israelis was price?

7 A I really don't, no. I don't have a memory of  
8 that. That's not to say that wasn't the case, but I don't  
9 have any memory of it.

10 Q Understood.

11 Now, your calendars also reflect a meeting with  
12 Casey but not McFarlane early on the morning of the 17th.  
13 Do you have any recollection of that?

14 A Was this Friday? Was this Friday?

15 MR. GARRETT: It would have been Friday the 17th.

16 THE WITNESS: Yes. We have a regular Friday  
17 breakfast with the CIA every Friday morning.

18 BY MR. NIELDS:

19 Q You have no particular reason to suspect the  
20 subject of arms came up during that meeting?

21 A No. They were all very anxious to have this  
22 so closely held. I don't recall any of this -- this coming  
23 up at one of our regular breakfasts. Regularly on Friday,  
24 one week at the CIA, one week down here, we would meet  
25 for breakfast.

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1 Q I take it once the decision to proceed under the  
2 Economy Act and a finding had been made and had been  
3 communicated to you that the President had made his decision,  
4 you implemented it?

5 A Yes.

6 Q Did you other than giving instructions to your  
7 subordinates at the very outset that weapons should be made  
8 available to CIA and DoD should be compensated for them, did  
9 you have any further involvement in the -- in any of the  
10 mechanics of supplying the weapons?

11 A No. I discussed with Colin Powell whether we  
12 had the stocks to do this, what would be left, whether we  
13 are depleting the stocks, what effect it would have on  
14 readiness. And emphasized that we were to be fully  
15 reimbursed and that the transfer was to be the CIA and  
16 the CIA only.

17 As far as I know, the matter then proceeded.

18 Q Were you aware one way or the other whether the  
19 [REDACTED] had been utilized?

20 A No. The only people who knew about this was --  
21 that I knew of were General Powell and Richard Armitage.  
22 I may have known Koch had been involved or had been  
23 mentioned at one meeting, but I don't recall his being  
24 particularly present at any of them.

25 But the [REDACTED] was something totally

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1 different. The [REDACTED] had been set up by me  
2 internally, informally, to make sure that a situation that  
3 had arisen in the Army earlier was not repeated. [REDACTED]

4 [REDACTED]  
5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED]  
8 [REDACTED]  
9 There were then charges that some of the money  
10 had been diverted, improperly used. In the course of  
11 investigating that and finding out what kind of internal  
12 controls and audits and approvals were required, I found  
13 that we had put in a system under which the Vice Chief of  
14 Staff of the Army and others would have to pass upon these  
15 requests, that nobody could task the Army and the Army  
16 couldn't -- intelligence people couldn't come and task the  
17 Army comptroller and say we need blank dollars for a covert  
18 purpose. That there had to be prior understandings and  
19 approvals within the Department.

20 Some people started to call that a [REDACTED]  
21 [REDACTED] I don't quite know why. That was for this one  
22 particular purpose, and it was applicable to all services.

23 It was to make sure that there weren't actions  
24 being taken and funds being handed out to -- for so-called  
25 intelligence activities without any oversight or overview.

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1 And in this case, this was a decision by the President that  
2 there were to be sales made and our decision that they were  
3 to be made to the CIA and with full reimbursement and there  
4 wasn't any need to refer anything to anybody or anything  
5 of the kind.

6 Q Did there come a time or was there any time when  
7 either you or the Department, to your knowledge, was asked  
8 for an assessment of the military consequences in terms of  
9 Iran and Iraq of supplying weapons?

10 A I think I raised that and discussed it generally  
11 with General Powell and I think Mr. Casey, in his presen-  
12 tations, in his arguments in the Oval Office meetings,  
13 basically in support of this whole proposition, made the  
14 point that there would not be any significant impact on  
15 the military capabilities. It was not a major issue, but  
16 the fact was understood that these were obsolete weapons,  
17 that they are no longer in production, and that there were  
18 not a great many of them involved and that it was not --  
19 it was not anything which would add significantly to the  
20 military capability.

21 The point was made frequently that they were --  
22 the old production line had stopped -- they were no longer  
23 being made, and that they didn't add very much.

24 Q I take it there was no formal study or assess-  
25 ment done at the DoD or asked for by the White House?

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1 A Not that I know of.

2 Q Now, when the newspaper articles began in November  
3 of 1986 on the subject of this initiative, did you partici-  
4 pate in any discussions with others outside of DoD as to  
5 how the publicity ought to be handled?

6 A There was a meeting in the Oval Office sometime  
7 in November. Let's see.

8 (Exhibit No. CWW-5 was

9 marked for identification.)

10 THE WITNESS: Well, it was -- I don't know. It  
11 was sometime in late November. I guess shortly after  
12 this. There was a meeting.

13 BY MR. NIELDS:

14 Q I have a document here which I have marked as  
15 Exhibit 5. My first question is, does that document  
16 record the meeting that you were just about to testify  
17 about?

18 A Well, this says November 10, but where did this  
19 come from?

20 Q It was provided to us by --

21 A Oh, this is my own notes of this meeting. Yes.  
22 This is a meeting at which I made notes. This would be  
23 it. That's correct. Yes. Yes. I remember that intro-  
24 duction. I dictated this.

25 Q Good. Well, actually the best thing would be

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1 for you to say simply what you remember about the meeting?

2 A On the basis of this memorandum, which I dictated  
3 after the meeting, I -- what took place at the meeting is  
4 what is reflected here in the memorandum here.

5 Q Do you have a recollection of what the central  
6 focus of the discussion was?

7 A Well --

8 Q Was it a question of how fully to report the  
9 facts to the public at the time?

10 A No. I think it was primarily to deal with these  
11 reports that were coming out of the Mideast which I guess  
12 had all been foreseen as one of the reasons for not doing  
13 it and more or less bringing everybody up to date. There  
14 had been no -- the hostages had not been released and we  
15 had a disclosure there had been a finding made then.  
16 Poindexter continued that we assisted Israel initially  
17 because we found Israel was sending arms to Iran [REDACTED]  
18 [REDACTED] and also wanted the Iran-Iraq war to end as  
19 soon as possible.

20 McFarlane went to Iran in May. There -- a lot  
21 of this was the first time I had heard of that. Worked  
22 through [REDACTED] of Rafsanjani. Previously we used an  
23 Israeli agent called Ghorbanifar.

24 " [REDACTED] others proved no good because  
25 the Iranians always insisted that the Dawa prisoners held

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1 by Kuwait be released. We finally did authorize release  
2 of 500 TOWs sold by Israel to Iran."

3           Someone was giving the formal permission to  
4 Israel to re-export, I gather.

5           "I reminded John Poindexter he had always told  
6 me that there would be no more weapons sent to Iran, after  
7 the first 500 TOWs from us until after all of the hostages  
8 were returned, but unfortunately we did send a second 500  
9 because it 'seemed the only way to get the hostages out,'  
10 according to Poindexter."

11           The memorandum goes on and speaks for itself.

12           Q     Well, it does speak for itself.

13           A     This is -- this was my recollection of the  
14 meeting recorded right after the meeting.

15           Q     There appears on the basis of the memorandum to  
16 be -- to have been some issue of how fully the facts should  
17 be disclosed at the time.

18           A     I think there was a lot of talk about how --

19           Q     I think you seemed to be arguing that there are  
20 going to be congressional hearings anyway and that we will  
21 just get blackmailed by selective bits of information.

22           A     Yes.

23           Q     Do you have any recollection of that as being an  
24 issue that arose?

25           A     I used that term, I think. I think there was

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1 also the problem of whether or not this source was any  
2 good in Iran and whether he would be -- he or they would be  
3 endangered by our admitting the allegations in the article.  
4 That's what this seems to say here.

5 Mr. Shultz felt the Israelis sucked us up into  
6 their operation so we could not object to their sales to  
7 Iran.

8 Q Did there ever come a time -- did you have any  
9 other discussions with officials outside of the Department  
10 of Defense on the subject of what should be said about the  
11 Iranian initiative?

12 A No. No. Until these articles appeared, the  
13 basic statements and requirements, rules, had been laid  
14 down by the White House that there wasn't to be anything  
15 said about it.

16 Q I mean other discussions after the articles  
17 started to come out?

18 A After the articles? Well, no. I think just more  
19 along this line and again going back to Poindexter and  
20 expressing unhappiness that so much had happened that we  
21 hadn't heard anything about, things like that.

22 Q Did -- were you ever sent a copy of proposed  
23 testimony by Mr. Casey?

24 A In connection with this?

25 Q Yes.

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1 A No. I don't think so.

2 Q Were you ever sent --

3 A I don't believe so.

4 Q Were you ever sent, to your recollection,  
5 chronologies prepared by the people at the NSC, after-the-  
6 fact chronologies?

7 A Now I read that they had done that, that they  
8 had prepared such a chronology. I don't believe that --  
9 when I talked to the Senate Intelligence Committee, which  
10 I believe was the first one that I talked to, I didn't  
11 have any of that -- anything of that kind. I don't have  
12 any memory of it; I did read they had prepared chronologies.

13 (Exhibit No. CW-6 was  
14 marked for identification.)

15 BY MR. NIELDS:

16 Q Mr. Secretary, I am putting in front of you a  
17 document marked Deposition Exhibit No. 6. It is a letter --  
18 a copy of a letter. It appears to be a letter from you  
19 to Secretary Shultz with a memo attached.

20 My first question is --

21 A "Attached is a memorandum about which I feel  
22 very strongly. I think the memo discusses a very bad  
23 business. I hope we will have an NSPG to prevent what I  
24 see is substantial further damage that can come to the  
25 administration in the continuation of the same practices

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1 that have caused so much of the trouble we are experiencing  
2 now.

3 "It is particularly unfortunate the State  
4 Department's public statements are now denying that we are  
5 continuing contacts with the Iranian government through  
6 third-country representatives, which is true only in the  
7 most technical sense of terms, and which I am afraid will  
8 cause further adverse reactions when the truth is known."

9 This is a memorandum of mine of December 22  
10 attached to this.

11 Q I take it the front page of Exhibit 6 is a copy  
12 of a letter from you to Secretary Shultz?

13 A Yes, indeed. Right.

14 Q The attachment is a memorandum also by you?

15 A Yes.

16 Q Which relates to it?

17 A Yes. It is signed by me.

18 Q It raises vigorous objection both to continuing  
19 meetings with Iranians and to the fact that you have not  
20 been advised of it?

21 A I was astounded therefore to learn on Friday,  
22 December 19, after my testimony to the congressional  
23 committee, we had stopped all of this, that U.S. nego-  
24 tiators were still meeting with the same Iranians. I  
25 learned this not from our State Department or from anyone

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 I was finally advised we did have a negotiator, namely Mr. Raphael of the State Department probably negotiating with the same elements in the Iranian group.

"I was told that we were no longer talking with them about selling them arms and I hope this is true, but I have no way of knowing if it is."

This was a memorandum from me to the then acting National Security Adviser, Mr. Al Keel.

Yes. This is my memorandum and my letter.

Q I take it just in substance, it raises objection to both the fact that you were excluded from the process and to the fact that the process was going on?

A The process was going on. The exclusion wasn't the problem. The problem was that I testified to the direct contrary on the Senate committee that we had stopped all this and then learned that some of it was still going on.

"I am sorry to be so blunt about it, but it seems to me to be incredibly wrong that the precise mechanisms of secrecy and attempts to exclude advisers who, it is

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1 feared, may have different views, which helped cause so many  
2 of our present difficulties, are apparently being pursued  
3 by the State Department at this time.

4 "I have now learned, thanks to your forthcomingness  
5 with me, and by reason of our investigations, that McFarlane  
6 had actually offered the Iranians sensitive intelligence  
7 information, passed by the U.S. as to Iraq, and that State  
8 plans another meeting with the Iranians on December 27  
9 in Geneva. I urgently urge no such meetings be per-  
10 mitted . . . " so on and so on.

11 Yes.

12 Q Do you recall learning at some point that [REDACTED]  
13 [REDACTED] or some people connected with [REDACTED] provided  
14 funds for the contras?

15 A No. I don't have any memory of any contra  
16 funding or of anything connected with [REDACTED] that I  
17 can remember now.

18 What have you got?

19 MR. NIELDS: Let's mark it.

20 (Exhibit No. CWW-7 was  
21 marked for identification.)

22 BY MR. NIELDS:

23 Q I know it is difficult to read. I have marked  
24 as Exhibit 7 a memorandum for the record from the CIA  
25 dealing with a --

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1 A From the CIA?

2 Q Yes. This is -- in fact, John McMahon wrote the  
3 memo. There are a number of topics blanked out, but on the  
4 second page, the last sentence, it says, "In closing, the  
5 Secretary" -- and that would appear to be you -- "stated  
6 that he had heard that [REDACTED]  
7 had earmarked \$25 million for the contras in \$5 million  
8 increments."

9 A I don't have any memory of that. This is a  
10 note from whom to whom?

11 Q This is a memorandum from John McMahon to the  
12 file relating to a breakfast meeting with you and the  
13 deputy secretary of Defense on the 15th of March, 1985.

14 A "The Secretary stated he had heard that [REDACTED]  
15 had earmarked \$25 million."

16 I have no memory of it. I don't know what the  
17 basis for that would have been.

18 Q Would -- could that possibly have come to you --

19 A What was the date of this?

20 Q Fifteen March, 1985.

21 MR. GARRETT: Fifteen March, 1985.

22 THE WITNESS: Fifteen March, '85?

23 BY MR. NIELDS:

24 Q Yes.

25 A I just don't remember that at all. This is

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1 long before any of this other. I don't have any memory  
2 of it.

3 Q This is a little over two years ago now.

4 A Yes.

5 Q Is [REDACTED] someone that you spoke to from time  
6 to time?

7 A From time to time.  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED]

13 Q Do you recall [REDACTED]  
14 [REDACTED]

15 A Yes. Yes. We -- I don't know what time it was.  
16 I can get that from our records.  
17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]

21 Q Was [REDACTED] involved in the negotiating process?

22 A I am sure he was. Yes. He was [REDACTED]  
23 I guess, at that time.

24 Q Do you recall there being any discussion about  
25 funding for the contras arising in connection with the

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1 [REDACTED]

2 A No. NO. [REDACTED]

3 [REDACTED] But I don't have any memory

4 of it.

5 [REDACTED]

6 [REDACTED]

7 Q Do you maintain or does anyone maintain on your

8 behalf any kinds of records of telephone conversations,

9 for example?

10 A Oh, I think the offices does, yes. They keep

11 records of telephone conversations. I mean, they have

12 records of people to whom they go.

13 Q Right.

14 A I think they do have that. I think they are

15 comparable to these records you have shown me about the --

16 my whereabouts from time to time.

17 Q That would be very helpful, particularly in

18 that November, '85, time frame.

19 A All right. Let's take a look. Who do you want

20 to see if I called?

21 Q Either people in the NSC?

22 A November, '85?

23 Q Yes.

24 A Or '86?

25 Q '85.

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1 A November, '85. All right.

2 Q In particular, I think it would be useful if  
3 there is -- if there is a -- if there is such a log or  
4 records to have it for the same time frame that we have  
5 these appointment calendars, but that's the time period  
6 that is of greatest interest to us, I would say.

7 A November, '85?

8 MR. GARRETT: John, may I make a comment for  
9 the record? We have requested telephone logs. We talked  
10 to C&D?

11 MR. SHAPIRO: Executive secretariat.

12 MR. GARRETT: They advised us in writing the  
13 memo telephone logs were not maintained. That's why they  
14 were not produced.

15 We will go back and visit that issue. It should  
16 go on the record that that was a reply we received.

17 THE WITNESS: I --

18 MR. SHAPIRO: Is that accurate?

19 THE WITNESS: I am told that lists of -- I am  
20 very, very -- try to be meticulous about returning calls.  
21 I think there may be some kind of record kept of calls  
22 that need to be returned or something like that. I don't  
23 have any memory of it. I have not seen it.

24 BY MR. NIELDS:

25 Q Okay. How about --

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1           A     I hadn't seen a lot of these whereabouts sheets  
2 before all this either.

3           Q     We have gone over a number of meetings?

4           A     Yes.

5           Q     Of course, your recollection is better on some  
6 and fainter on others.

7           A     Yes.

8           Q     Is there any way that you have of making a  
9 record of the highlights of meetings of this nature?

10          A     Now?

11          Q     No, then.

12          A     No. There wasn't. I did dictate a memorandum  
13 on this particular one, but I've often said that I under-  
14 stand that Henry Kissinger made a memo of every meeting he  
15 ever attended and that enabled him to write his book  
16 rapidly. I wish I had done that with day one of the  
17 administration. I am usually getting ready for the next  
18 meeting and don't have time to write these memorandums.  
19 I took notes about this one and dictated this memorandum  
20 because it seemed to be important.

21          Q     Do you ever take notes that are not dictated  
22 or make jottings when you get back?

23          A     Yes, occasionally, but comparatively rarely.  
24 I don't know we kept those in any formal way. I don't  
25 think they have been filed or labeled. My handwriting is

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1 notoriously bad. I have trouble even reading it myself.  
2 Occasionally take a few notes, but not really very often.

3 Q If there is any chance there are --

4 A I think we made this examination and whatever  
5 there is in our so-called C&D, correspondence and  
6 directives. They have been asked to paw through every-  
7 thing.

8 Q Do you ever give something by the way of  
9 debriefing or briefing to aides?

10 A Yes.

11 Q Immediately following a meeting of this nature?

12 A Yes. And did so on a couple of these matters.  
13 With General Powell, particularly, where we came back and  
14 were told that we had to make this sale and so on by  
15 Presidential direction. Yes. We do that on other occa-  
16 sions when action is called for usually.

17 Q Would he have, as a practice, make a record of  
18 what you tell him?

19 A I don't know. We had the meetings. What I  
20 told him was always done. So in one way or the other,  
21 he either had a very good memory or he was able to  
22 accomplish these things.

23 Q Are you aware of any other potential source of --  
24 that might be -- have made a record that might supplement  
25 your memory of some of these meetings?

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1           A     Well, I don't really think of anything. We  
2 could paw through everything again. We have done that, I  
3 think, pretty well.

4           MR. SABA: Is there a record of all people who  
5 come to your office, day and time?

6           THE WITNESS: There may very well be.

7           MR. SABA: So if someone passed through the  
8 front office, there would be a record of somebody passing  
9 through the front office?

10          THE WITNESS: There may very well be. I have  
11 not seen it. But they may keep records out there.

12          BY MR. NIELDS:

13          Q     I didn't see anyone making a record of us coming  
14 in today.

15          A     Well, that would be the acid test.

16          MR. NIELDS: Well, I have nothing further.

17                I very much appreciate your responses. I think  
18 that the Senate counsel, and I don't know whether our  
19 Minority has any questions.

20          MR. GENZMAN: Just a couple of quick ones.

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## EXAMINATION ON BEHALF OF

## THE HOUSE SELECT COMMITTEE

BY MR. GENZMAN:

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3  
4 Q Mr. Secretary, I heard you say earlier there  
5 was no formal assessment done on the possible effect of  
6 this weapons transfer. Was any required to be done in  
7 your opinion?

8 A I was not asked for one. In the normal course  
9 I would not have been. That would go to -- a request like  
10 that would go to the CIA. When I say formal assessment,  
11 I mean obviously a formal product of the Intelligence  
12 Community. We discussed it informally here. I discussed  
13 it with General Powell, I believe with Mr. Armitage in an  
14 informal way, and was advised that because of the age and  
15 basic lack of capability of these weapons, there wasn't a  
16 significant military advantage. But that was not an  
17 intelligence assessment by any means and I don't know of  
18 any -- whether there was any formal request made to the  
19 CIA for that or not. I do not know of any.

20 Q Also, sir, regarding Exhibit 6, I heard you say  
21 that you raised objections to the fact that there were  
22 continuing negotiations with the Iranians.

23 A Yes. Yes.

24 Q Because you had testified to the contrary?

25 A Oh, yes. That's the letter to Mr. Shultz.

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1 Q To Mr. Shultz.

2 A Here it is.

3 Q Just so the record is clear, at the time you  
4 testified to the contrary, did you have any knowledge of  
5 these continuing negotiations?

6 A Oh, no. No. That was my point. I said I had  
7 assumed -- when the President announced in late November  
8 or early December all further arms shipments had ceased  
9 and after it became apparent the channels we were using  
10 to discuss hostage releases and other matters with the  
11 Iranians were at the very least ineffective and, as is  
12 easily apparent now, totally counterproductive, I had  
13 assumed we were finished with that entire Iranian episode  
14 and so testified to the congressional committees during  
15 last week.

16 I was astounded, therefore, to learn on Friday,  
17 December 19 after my testimony, the negotiators were still  
18 meeting with the Iranians.

19 No.

20 Q You had no knowledge of any negotiations of  
21 any sort?

22 A I thought finally we had finished with them.

23 MR. GENZMAN: Thank you. I have no further  
24 questions.

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EXAMINATION ON BEHALF OF

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THE SENATE SELECT COMMITTEE

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BY MR. SAXON:

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Q We have been talking about things provided and

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things that haven't. Your calendars which have been

6

referred to today and entered as exhibits by the House

7

were something the Senate has asked for since early April.

8

I believe the date was April 4. They have yet to be

9

provided.

10

Just for the record, I think that should be

11

noted.

12

A I thought this was a joint operation.

13

Q We have not received them, sir. It would have

14

been useful for this purpose.

15

MR. SHAPIRO: For the record, the materials

16

you requested on April 4 are different from the materials

17

that the House requested late last week, and which were

18

provided yesterday.

19

MR. SAXON: The materials on April 4 asked for

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all diaries, calendars, et cetera.

21

MR. SHAPIRO: They were strictly limited by

22

subject matter. I think rather than further discussing

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it here, we can resolve it later.

24

BY MR. SAXON:

25

Q Mr. Secretary, were you informed in January

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1 of '86 by either General Powell or Noel Koch that Mr. Koch  
2 was involved in negotiating price for the TOW missiles with  
3 the Israelis up from a level that Michael Ledeen negotiated  
4 at \$2500?

5 A No. No. I have no memory of that at all nor  
6 of Mr. Ledeen until much later.

7 Q Were you informed that Mr. Koch had negotiated  
8 the price up to \$4500?

9 A No.

10 Q Do you recall a meeting in your office with  
11 Secretary Taft, General Powell, and Mr. Koch in which the  
12 legality of this operation was discussed, the transfer of  
13 the TOWs? This would be January, '86, sir.

14 A January, '86?

15 Q Yes, sir.

16 A No, not really. As a matter of fact, I don't  
17 recall any meetings with Mr. Taft on the subject. But  
18 I raised legal questions myself and we were told that the  
19 transfer to the CIA under the Economy Act and all -- had  
20 information that that was a legal way and indeed so far as  
21 my memory is concerned, that was the only legal way the  
22 matter could be done.

23 Q Do you recall Mr. Koch asking you if anyone  
24 could go to jail because of this operation?

25 A No.

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1 Q Do you recall telling him --

2 A I don't recall Mr. Koch being that heavily  
3 involved in this at all. I think General Powell had talked  
4 with him once or twice, but I don't recall -- I don't  
5 recall his being active in the thing at all.

6 Q No discussion along those lines that you recall?

7 A No. Nothing with regard to that, no.

8 Q With regard to the decision to use the Economy  
9 Act, Mr. Nields asked you some questions in the January,  
10 '86, time frame about how that decision might have been  
11 made.

12 A Yes.

13 Q Do you recall having been provided any input  
14 from either General Powell or Noel Koch to the effect that  
15 when the numbers of missiles that were being requested  
16 were looked at and the prices were looked at, that there  
17 was no way that these could be provided under the \$14  
18 million threshold for purposes of reporting to Congress?

19 A Well, it was apparent that that -- that the  
20 value of the weapons systems was such as that, but there  
21 was an oral opinion from the Attorney General given to the  
22 President in my hearing that these rules basically didn't  
23 apply, that there were other Presidential authority that  
24 existed, that he could use to make these kinds of transfers.

25 Q This would have perhaps been a discussion before

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1 those decisions were reached.

2 Internally, when the Pentagon was taking a look  
3 at what was available and what the price would be, was  
4 there a decision made that the best way to go was the  
5 Economy Act and to transfer these TOWs to the CIA because  
6 that would eliminate the need to notify Congress?

7 A No. The reason for the sale to the CIA as  
8 opposed to Iran was because that that was the way in which  
9 covert activities were handled and that that was the way  
10 that was recommended as the proper way to do this and the  
11 legal way to do it, and my memory is that I am the one  
12 who urged the use of the Economy Act and that we would have  
13 to be reimbursed the value of these by CIA and it would  
14 be our sale to them that would be a straightforward sale  
15 to them, and that they would have to pay us and that would  
16 end it as far as we were concerned.

17 Q Mr. Secretary, do you recall telling General  
18 Powell that you thought the Israelis were -- or that  
19 intermediaries were making a killing on the TOW missiles?

20 A No.

21 Q Meaning that they were making a profit?

22 A No. This whole business obviously came up  
23 later in all the discussions, and I read about it in the  
24 papers and all of that. There wasn't any discussion I  
25 remember of any kind other than the fact that we had to

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1 get value, not more value or anything else, certainly not  
2 less, but value for the TOWs and that that was being nego-  
3 tiated by our people in the Army who owned the TOWs and the  
4 CIA and that this was not all that unusual, that in support  
5 of other covert actions and operations, that was the way  
6 the transfers had been made.

7 Q Sir, with regard to the January 17 finding,  
8 Presidential Finding, do you have any recollection of  
9 whether you were involved in recommending that the words  
10 "third party" be inserted into the finding?

11 A No. The finding I didn't see until very much  
12 later and I did not know of its actual existence, to the  
13 best of my memory. I was told about it -- when I was told  
14 about it sometime, oh, maybe as late as April or something  
15 of that kind, they -- the one that was shown to me, I  
16 believe by Mr. Keel -- I am not sure -- was not signed by  
17 the President. And I made that point.

18 He said, "Well, this is just an office copy."

19 Q Do you recall being told by Admiral Poindexter  
20 in mid May of 1986 that Mr. McFarlane was to be going to  
21 Tehran?

22 A Mid May of '86?

23 Q Yes, May 19. Do you have any recollection that  
24 you knew about the McFarlane Tehran trip before it took  
25 place?

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1           A    No. No. There was a -- there was a discussion  
2 afterwards and McFarlane in that post-meeting discussion,  
3 post-trip discussion, to the best of my memory, indicated  
4 it had been very unsatisfactory and unsuccessful.

5           Q    Who do you recall having that discussion with?

6           A    I think that was a report that McFarlane was  
7 giving. Whether it was in the President's office or not,  
8 I don't remember. Some kind of gathering such as that.

9           Q    Sir, I believe it is correct that Admiral Crowe,  
10 the Chairman of the Joint Chiefs of Staff, was not know-  
11 ledgeable of the Iranian initiative and the TOWs and Hawk  
12 repair parts to Iran; is that correct?

13          A    That is correct. To the best of my knowledge.  
14 He may have known about it. I did not talk with him about  
15 it.

16          Q    Do you recall when he found out about this in  
17 late June or early July of 1986 and coming to see you to  
18 register his dissatisfaction at not having been brought in?

19          A    No. Not in that form. I don't remember when  
20 he knew about it.

21                   Our instructions from the President were to  
22 hold the thing very closely and not to involve anybody  
23 or bring anybody in who hadn't been in the original  
24 discussions. It was not an operational matter in the  
25 sense that it would have involved the Joint Chiefs and

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1 it was -- they were not, in a sense, not authorized to  
2 discuss it. I don't recall any time at which he came and  
3 complained about that.

4 I think it was in November when the first article  
5 appeared and when the discussions were held.

6 Q I believe I am correct in saying that in early  
7 November of 1986 -- and you wouldn't necessarily have any  
8 independent knowledge of this -- Secretary Shultz cabled  
9 Admiral Poindexter saying that these matters, once it began  
10 to be known about the Iran initiative and arms to Iran,  
11 that these should be publicly disclosed.

12 Do you recall a phone call from Admiral Poindexter  
13 that was triggered by Secretary Shultz' cable in which  
14 Admiral Poindexter sought your opinion on that?

15 A Yes, I do remember something about that. I  
16 don't remember what the outcome was, but I remember he  
17 called and George Shultz was overseas and he had -- he was  
18 I guess responding to a suggestion there should be a full  
19 publication or something of that kind.

20 Q If I told you there's at least one account that  
21 says you counseled a closed-mouth strategy on this to  
22 Admiral Poindexter, would that sound correct?

23 A No, it doesn't sound correct. The only points  
24 at which I would be worried about disclosure were, of course,  
25 anything that involved either the hostages or our own

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1 military attempts to deal with the problem. I don't have  
2 any idea what a closed-mouth strategy means. This was the  
3 expression used, I take it.

4 Q That's the characterization, yes, sir.

5 A I don't have any memory of counseling that.  
6 I think that the outcome of that phone call that you  
7 mentioned to me a moment ago was that I thought we should  
8 have a meeting on the subject and discuss what these articles  
9 were saying.

10 I have never seen the articles. These were from  
11 these Mideast magazines or something. They were being  
12 reprinted here. I don't have any recollection of urging  
13 a closed-mouthed strategy or anything of that kind.

14 MR. SAXON: Mr. Secretary, I have nothing  
15 further. I associate myself with Mr. Nields' comments  
16 earlier. The Senate appreciates your time.

17 THE WITNESS: Thank you very much.

18 MR. KREUZER: Are the lawyers through? Can I  
19 ask my question now?

20 MR. NIELDS: Is there one?

21 MR. KREUZER: I have one.  
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EXAMINATION ON BEHALF OF

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THE HOUSE SELECT COMMITTEE

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BY MR. KREUZER:

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Q Sir, subsequent to the 16th or the 17th of

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January when it was decided that the sale was going to

6

occur with the TOWs, you mentioned that you started giving

7

orders that this would be an Economy Act transfer?

8

A Yes.

9

Q And at some point in time, there was a meeting

10

in the Oval Office with Mr. Casey? Did you say that?

11

There was a meeting in the Oval Office --

12

A No. I thought you showed me some papers that

13

said I was asked to come to a meeting with Mr. Casey in

14

Admiral Poindexter's office.

15

Q Was that -- I believe that was the place where

16

there was a discussion about impact on readiness? Did

17

Mr. Casey make -- I have in my notes Mr. Casey commented

18

there would be no impact on readiness resulting from the

19

sale of these TOWs?

20

A No. I talked with our own people about the

21

impact on readiness and whether or not we would have

22

enough left and what our stocks were, and was told at that

23

time that we had very substantial stocks but that it was

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an obsolete weapon, no longer being manufactured. And

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that the basic impact on our readiness would not be in

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1 any way severe or in any way marked. But those were dis-  
2 cussions that I had with General Powell and I think  
3 Mr. Armitage here in the building.

4 Q So that was decided here. I'll change my notes.

5 A As far as I remember, yes. I don't recall  
6 anything about the other. The other meeting was apparently  
7 mostly to discuss the -- remove my roadblocks, as it was  
8 phrased in one of these memorandums, and to discuss proper  
9 ways to make the transfer.

10 Q Thank you.

11 THE WITNESS: Have we got a schedule now of any  
12 of the next events on any of this?

13 MR. NIELDS: I think we can go off the record  
14 now.

15 (Discussion off the record.)

16 (Whereupon, at 1:00 p.m., the deposition was  
17 adjourned.)

end emm

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1st June 5

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OFFICE OF THE SECRETARY OF DEFENSE  
THE MILITARY ASSISTANT

18/6

SEC DEF,

SEC DEF  
HAS SEEN  
JUN 18 1985

This came in "Eyes  
Only" for you. After  
you have seen recommend  
1 pass to Rich  
Advantage for analysis.

like this is not to be used for anything

Permanently Declassified/Released on 29 JAN 2008  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

This is character VLI  
already should be covered on - By  
all means pass it to  
Rich - but the exception here is OJ  
has index of file 9 2) which deal with them  
a whole analysis - done

(5757)

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DEPOSITION  
EXHIBIT  
COW-1  
6/17/87 OED

**EYES ONLY****UNCLASSIFIED**

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OFFICE OF THE SECRETARY OF DEFENSE  
 THE MILITARY ASSISTANT 19 Jun 85

NOTE FOR USD(P)  
 ASD (ISA)

Yours for action. See my recommendation  
 and SecDef's comment on the attached.  
 SecDef's comments read as follows:

"This is almost too absurd to comment  
 on. By all means pass it to Rich, but  
 the assumption here is: 1) that Iran is  
 about to fall, and 2) we can deal with  
 that on a rational basis. ~~It's~~ like  
 asking Qadhafi to Washington for a  
 cosy chat."

*Colin L. Powell*  
 Colin L. Powell  
 Major General, USA  
 Senior Military Assistant  
 to the Secretary of Defense

Declassified/Released on 25 Jan 88  
 under provisions of E.O. 12356  
 by K. Johnson, National Security Council

cc: DepSecDef

**EYES ONLY**

(5757)

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**UNCLASSIFIED**THE WHITE HOUSE  
WASHINGTON

15 JUN 1985

D 91

June 17, 1985

**SEC DEF  
HAS SEEN  
JUN 18 1985**SECRET/WITH  
TOP SECRET ATTACHMENTMEMORANDUM FOR THE HONORABLE GEORGE P. SHULTZ  
The Secretary of StateTHE HONORABLE CASPAR W. WEINBERGER  
The Secretary of Defense

SUBJECT: U.S. Policy Toward Iran (S)

The Director of Central Intelligence has just distributed an SMIIE on "Iran: Prospects for Near-Term Instability", which I hope you have received. This SMIIE makes clear that instability in Iran is accelerating, with potentially momentous consequences for U.S. strategic interests. It seems sensible to ask whether our current policy toward Iran is adequate to achieve our interests. My staff has prepared a draft NSDD (Tab A) which can serve to stimulate our thinking on U.S. policy toward Iran. I would appreciate your reviewing the draft on an eyes only basis and providing me with your comments and suggestions. I am concerned about the possibility of leakage should we decide not to pursue this change in policy with the President. If you feel that we should consider this change, then I would refer the paper to the SIG(FP) in preparation for an NSFC meeting with the President. (S)



Robert C. McFarlane

Declassified/Released on 29 Jan 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

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TOP SECRET ATTACHMENT

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NSC/ICS 40201

THE WHITE HOUSE  
WASHINGTON**DRAFT****TOP SECRET**NATIONAL SECURITY DECISION  
DIRECTIVE

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**U.S. Policy Toward Iran**

Dynamic political evolution is taking place inside Iran. Instability caused by the pressures of the Iraq-Iran war, economic deterioration and regime infighting create the potential for major changes in Iran. The Soviet Union is better positioned than the U.S. to exploit and benefit from any power struggle that results in changes in the Iranian regime, as well as increasing socio-political pressures. In this environment, the emergence of a regime more compatible with American and Western interests is unlikely. Soviet success in taking advantage of the emerging power struggle to insinuate itself in Iran would change the strategic balance in the area.

While we pursue a number of broad, long-term goals, our primary short-term challenge must be to block Moscow's efforts to increase Soviet influence (now and after the death of Khomeini). This will require an active and sustained program to build both our leverage and our understanding of the internal situation so as to enable us to exert a greater and more constructive influence over Iranian politics. We must improve our ability to protect our interests during the struggle for succession.

**U.S. Interests and Goals**

The most immediate U.S. interests include:

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by K. Johnson, National Security Council

- (1) Preventing the disintegration of Iran and preserving it as an independent strategic buffer which separates the Soviet Union from the Persian Gulf;
- (2) Limiting the scope and opportunity for Soviet actions in Iran, while positioning ourselves to cope with the changing Iranian internal situation;
- (3) Maintaining access to Persian Gulf oil and ensuring unimpeded transit of the Strait of Hormuz; and
- (4) An end to the Iranian government's sponsorship of terrorism and its attempts to destabilize the governments of other regional states.

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We also seek other broad and important, if less immediately urgent, goals.

- (1) Iran's resumption of a moderate and constructive role as a member respectively of the non-communist political community, of its region, and of the world petroleum economy;
- (2) continued Iranian resistance to the expansion of Soviet power in general, and to the Soviet occupation of Afghanistan in particular;
- (3) an early end to the Iran-Iraq war which is not mediated by the Soviet Union and which does not fundamentally alter the balance of power in the region;
- (4) elimination of Iran's flagrant abuses of human rights;
- (5) movement toward eventual normalization of U.S.-Iranian diplomatic consular and cultural relations, and bilateral trade/commercial activities;
- (6) resolution of American legal and financial claims through the Hague Tribunal; and
- (7) Iranian moderation on OPEC pricing policy.

Many of our interests will be difficult to achieve. But given the rapidity with which events are moving, and the magnitude of the stakes, it is clear that urgent new efforts are required. In moving forward, we must be especially careful to balance our evolving relationship with Iraq in a manner that does not damage the longer term prospects for Iran.

#### Present Iranian Political Environment

The Iranian leadership faces its most difficult challenges since 1981. The regime's popularity has declined significantly in the past six months, primarily because of intensified disillusionment with a seemingly unending war, the continued imposition of Islamic social policies on a population increasingly reluctant to accept such harsh measures, and a faltering economy brought on primarily by declining oil revenues. The impact of these problems is intensified by the realization that Ayatollah Khomeini's mental and physical health is fragile, which in turn casts a pall of uncertainty over the daily decision-making process.

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Unless the acceleration of adverse military, political and economic developments is reversed, the Khomeini regime will face serious instability (i.e. repeated anti-regime demonstrations, strikes, assassination attempts, sabotage and other destabilizing activities throughout, increasingly involving the lower classes) This condition will sap officials' energies and government resources, intensifying differences among Iranian leaders as the government tries to avoid mistakes that would provoke popular upheaval and threaten continued control.

While it is impossible to predict the course of the emerging power struggle, it is possible to discern several trends which must be accounted for by U.S. policy. As domestic pressures mount, decision-making is likely to be monopolized by individuals representing the same unstable mix of radical, conservative and ultra-conservative factions that now control the Iranian government. The longer Khomeini lingers in power, the more likely the power struggle will intensify, and the greater the number of potential leaders who might affect the outcome of the struggle.

The ultimate strength of various clerical groups and the power coalitions they may form are not known. However, the weaknesses of various opposition groups -- inside Iran and abroad -- are evident, especially the lack of a leader with sufficient stature to rival Khomeini and his ideas. The most likely faction in a power struggle to shift Iranian policy in directions more acceptable to the West -- should their influence increase -- are conservatives working from within the government against the radicals. Radicals within the regime, and the leftist opposition, are the groups most likely to influence the course of events in ways inimical to Western interests.

The Iranian regular armed forces represent a potential source of both power and inclination to move Iran back into a more pro-Western position. Representatives of every faction inside and outside the regime recognize the potential importance of the military and are cultivating contacts with these forces. However, as long as the Army remains committed in the war with Iraq it will not be in a position to intervene in Tehran.

The other instrument of state power, the Revolutionary Guard, is becoming increasingly fractured. It will probably come apart following Khomeini's death, and might even engage in a major power struggle before then. In any scenario, the Guard will be at the center of the power struggle.

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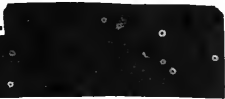
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The Soviets are well aware of the evolving developments in Iran. They will continue to apply carrot-and-stick incentives to Iran in the hope of bringing Tehran to Moscow's terms for an improved bilateral relationship that could serve as a basis for major growth in Soviet influence in Iran. Moscow will clearly resist any trend toward the restoration of a pro-Western Iranian government.

Despite strong clerical antipathy to Moscow and communism, Tehran's leadership seems to have concluded that improvement of relations with the Soviet Union is now essential to Iranian interest. They do not seem interested in improving ties with us. This Iranian assessment is probably based on Tehran's view of what Moscow can do for -- and against -- Iran rather than on an ideological preference to conduct relations with Moscow. The USSR already has much leverage over Tehran -- in stark contrast to the U.S.

Moscow views Iran as a key area of opportunity. 

 In return, Moscow is certain to offer economic and technical assistance, and possibly even military equipment. While they have heretofore balked at providing major weapon systems, the Soviets might relax their embargo if the right political opportunities presented themselves. While Moscow would probably not act in a manner that severely disrupts its relations with Baghdad, given Iraq's dependency on the USSR for ground forces equipment, Moscow possesses considerable room for maneuver if it senses major openings in Tehran for the establishment of a position of significant influence.

Moscow may also pursue a strategy based on support of separatist movements. The Soviet Union has had ample opportunity to cultivate the ethnic groups that cut across the Soviet-Iranian border. Most ethnic groups are unlikely to challenge the central government in Tehran as long as they fear severe reprisals. But in the areas of Iran adjacent to the Soviet border, the Soviets can provide a security umbrella to protect rebellious ethnic groups from reprisals.

The U.S. position in Tehran is unlikely to improve without a all major change in U.S. policy. The challenge to the U.S. in the post-Khomeini period will be severe. Any successor regime will probably seize power in the name of Islam and the revolution and

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can be expected to have a built-in anti-American bias. ~~A more conservative regime, still Islamic, might lessen the emphasis on revolution and terrorism and could move cautiously toward a more correct relationship with the U.S.~~ On the other hand, radical forces will try to exacerbate anti-American feelings to strengthen their own positions at the expense of the conservatives.

Our leverage with Iran is sharply reduced by the current degree of hostility that springs from the ideology of the radical clergy, especially as it serves their foreign policy goals. Moreover, the moderate and conservative elements of the clergy may also share the radicals' belief that we are inveterately hostile to the Islamic government, making accommodation with the U.S. impossible. The clerical regime continues to believe that the U.S. has not accepted the revolution and intends to reverse the course of events and install a puppet government. This perception has been reinforced by our restoration of diplomatic relations with Iraq, efforts to cut the flow of arms to Iran, and direct threats of military action in retaliation for Iranian-inspired anti-U.S. terrorism.

#### U.S. Policy

The dynamic political situation in Iran and the consequences for U.S. interests of growing Soviet and radical influence, compel the U.S. undertake a range of short- and long-term initiatives that will enhance our leverage in Tehran, and, if possible minimize that of the Soviets. Particular attention must be paid to avoiding situations which compel the Iranians to turn to the Soviets. Short-term measures should be undertaken in a manner that forestalls Soviet prospects and enhances our ability, directly and indirectly, to build U.S. and Western influence in Iran to the maximum extent possible in the future. Planning for the following initiatives should therefore proceed on a fast and longer-term track. The components of U.S. policy will be to:

- (1) Encourage Western allies and friends to help Iran meet its import requirements so as to reduce the attractiveness of Soviet assistance and trade offers, while demonstrating the value of correct relations with the West. This includes provision of selected military equipment as determined on a case-by-case basis.

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- intentionally very somewhat generalized*
- (3) Increase contacts with allies and friends [redacted] on the evolution of the Iranian situation and possible means for influencing the direction of change, and be ready to communicate with Iran through these or other countries [redacted]
- specific?*

- (4) Take advantage of growing political fragmentation by:
- discreetly communicating our desire for correct relations to potentially receptive Iranian leaders; ①
  - [redacted]
  - providing support to elements opposed to Khomeini and the radicals.
- (5) Avoid actions which could alienate groups potentially receptive to improved U.S.-Iranian relations.
- (6) Respond to Iranian-supported terrorism with military action against terrorist infrastructure.
- (7) Enhance our effort to discredit Moscow's Islamic credentials with a more vigorous VOA effort targeted on Iran.
- (8) Develop [redacted] action plan in support of the basic policy objective, both for near-term contingencies (e.g. death of Khomeini) as well as the long-term restoration of U.S. influence in Tehran.
- (9) With respect to the Gulf war:
- Continue to encourage third party initiatives to seek an end to the war;
  - Increase military cooperation with Gulf Cooperation Council countries, and bolster U.S. military capabilities in the Gulf area to enable CENTCOM to be fully capable of carrying out its mission; and
  - Seek to curb Iran's collaboration with its radical allies (i.e. Syria and Libya).

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-- [REDACTED] ways to establish contacts with "moderates" [REDACTED] seek who play important roles in the administration of Islamic rule but who also favor policies more favorable to US and Western interests. [REDACTED]

### Political

- Through contacts with allies and friends, we should discreetly communicate our desire for correct relations to potentially receptive Iranian leaders based on their renunciation of state-supported terrorism, their willingness to seek a negotiated settlement to the Iran-Iraq war, their non-interference in other states' affairs, and their cooperation in settling US-Iranian claims in the Hague Tribunal.
- Maintain our neutrality in the Iran-Iraq war while encouraging third party initiatives to end the conflict and increasing political-military cooperation with Gulf Cooperation Council countries.
- In light of recent evidence that our allies continue to permit sporadic transfers of militarily useful equipment to Iran and that negotiations may be taking place between commercial firms and Iranian officials, we should increase the pressure on our allies by considering public statements and possible sanctions.

### Public Diplomacy

- Our public statements on Iran should bring pressure to bear squarely where it is needed--on the current Iranian regime. In tone, our public position must avoid casting Iran as a country and the Iranian people and culture, as well as Shia Islam, as the enemy, but should emphasize opposition to the policies of the present Iranian government and the corrupt mullahs inside the government. Our statements should aim to encourage those elements in Iran who disagree or oppose regime policies.

### Economic

- A full range of US export controls are already in effect.

[REDACTED] We should reassess the effectiveness of present controls in curbing all but strictly civilian exports. .

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-- In conjunction with discreet political contacts proposed above, we could suggest to the Iranians that correct relations would include relaxation of current US trade restrictions and normal trade relations with an Iranian government that is not hostile to US interests.

(TS) I concur with the balance of the recommendations in the draft NSDD in so far as they support current US policy. My recommendations reflect my very strong view that US policy must remain steadfast in the face of international lawlessness perpetrated by the Iranian regime. Changes in policy and in conduct, therefore, must be initiated by the Iranian government. By remaining firmly opposed to current Iranian government policies and actions, yet supportive of moderation and a longer term improvement in relations, we can avoid the future enmity of the Iranian people and develop the leverage necessary to counter a possibly very dangerous increase in Soviet influence. In particular, we need to be prepared for a possible period of turmoil as the regime begins to change, by building up effective instruments of influence and access to people and organizations within Iran, so as to counter a Soviet attempt to promote a pro-Soviet successor regime.

cc: Secretary Shultz

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12 Dec 86

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DEFENSE SECURITY ASSISTANCE AGENCY

12 Dec 86

Memo For Record

The attached talking points were prepared by me, as Acting Director, DSAA, on or after 19 November 1985, at the request of Noel Koch and Gen. Colin Powell (then Mil. Asst. to SecDef). They were furnished to Mr. Koch to take to Gen. Powell.

*[Handwritten Signature]*  
Jo Hank  
695-5459  
4E7-3

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and all Administrations

Declassified/Released on 29 JAN 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

5758

-- It is conceivable that, upon satisfactory consultation with Chairmen Lugar and Fasel and their minority counterparts, they might agree to splitting the sale into smaller packages.

- The customer countries (UAE and Korea) would have to be told that their deliveries had been rescheduled, but we would not have to tell them why. We would not want to charge them more for later deliveries.

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DEPOSITION  
EXHIBIT  
*[Handwritten]*  
4/17/87

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PRINT PAGE#

Hawk Missiles for Iran

- Missiles are available right now, suitable for foreign sale. There are 104 missiles at Red River Arsenal - 77 intended for UAE and 27 for Korea. Seven of these are intended for tests, but the tests can be foregone.
- The missiles at Red River Arsenal cost \$500,000 apiece. This is not necessarily a firm price, and replacements could cost as much as \$450,000 apiece.
- Thus, the total bill for 120 missiles would be \$36-\$2.5 million. To this, applicable charges would have to be added (NRC cost, administration charge, packing and transport charges, plus storage).
- The missiles for Korea and UAE would have to be replaced, so DSAA will need the money to replace them.
- The modalities for sale to Iran present formidable difficulties:
  - Iran is not currently certified for sales, including indirectly as a third country, per Sec. 3 of the AECA.
  - Congress must be notified of all sales of \$14 million or more, whether it is a direct sale or indirect to a third country. The notice must be unclassified (except for some details), and the sale cannot take place until 30 days after the notice. The 30 days can be waived for direct sales, but the third country transfer has no such provision, and notice must still be given in any case.
  - Thus, even if the missiles were laundered through Israel, Congress would have to be notified.
- It is conceivable that the sale could be broken into 3 or 4 packages, in order to evade Congressional notice.
  - While there is no explicit injunction against splitting up such a sale (subject to check...), the spirit and the practice of the law is against that, and all Administrations have observed this scrupulously.
  - It is conceivable that, upon satisfactory consultation with Chairmen Lugar and Fasel and their minority counterparts, they might agree to splitting the sale into smaller packages.
- The customer countries (UAE and Korea) would have to be told that their deliveries had been rescheduled, but we would not have to tell them why. We would not want to charge them more for later deliveries.

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The political drawbacks are equally formidable:

- If Iraq ever found out, they would be greatly irritated. Their sources of supply are more readily accessible than Iran's, however, so there would be no effect in that respect.
- Saudi Arabia and the other Gulf States would also be irritated and alarmed.
- If Israel were used as the laundering country, they would be greatly encouraged to continue selling to Iran, and to expand their sales.
- If the sale became known, all bars would be removed from sales by such countries as Spain, Portugal, Greece, UK, Italy, and FRG, countries who are only barely restrained from overt, large sales to Iran now.
- In short, the risk is that of prolonging and intensifying the Iran-Iraq war, while seriously compromising US influence over Israel and other countries to restrain sales to Iran.

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✓ What worldwide stocks (in other countries)

DEFENSE SECURITY ASSISTANCE AGENCY

Memo For \_\_\_\_\_

• 500

• From where?

General ult. destinations

✓ Cost?

✓ How do I legally transfer? What notice?  
\$ quant. Break into small pkgs.?  
detailed descrip. sensitive technology.

✓ What countries can't I legally transfer to?

Reporting req. (30)

✓ What other countries might be sources?

Should we have to tell congress any?

How quick?

✓ If gave what 3rd stry

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1. Find item
2. When available?
3. Notify Congress
4. Prepare LOA

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$$\begin{array}{r} 120 \\ 300 \\ \hline 36000 \end{array}$$

$$\begin{array}{r} 120 \\ 77 \\ \hline 43 \end{array}$$
 UAE ~~produced~~  
 146K each

Red River 77 (of which 3 test)  
 Arsenal 87 (of which 4 test)  
 (Texas-Ark) 164 (300K)

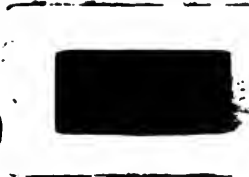
1. Find len
2. When available?
3. Notify Cannon

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1. 100 to Israel  
 shipped two  
 weeks ago  
 2. 11 to [unclear]  
 others [unclear]  
 FF. [unclear]



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15 JAN 86

From NSCIN --CPCA  
To: NSJMP --CPCA

Date and time 01/15/86 13:01:06

\*\*\* Reply to note of 08/31/85 13:26

1172

N 28733

NOTE FROM: OLIVER NORTH  
Subject: PRIVATE BLANK CHECK

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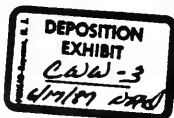
Continuation of last note (hit SEND when I meant to hit ADD LINES) ... Casey believes that Cap will continue to create roadblocks until he is told by you that the President wants this to move NOW and that Cap will have to make it work. Casey points out that we have now gone through three different methodologies in an effort to satisfy Cap's concerns and that no matter what we do there is always a new objection. As far as Casey is concerned our earlier method of having Copp deal directly with the DoD as a purchasing agent was fine. He did not see any particular problem w/ making Copp an agent for the CIA in this endeavor but he is concerned that Cap will find some new objection unless he is told to proceed. Colin Powell, who sat next to me during Cap's speech asked the following questions (my answers are indicated):

- Q. Does Copp deal w/ Iranians or Israelis?  
A. With the Israelis.

- Q. What cost are the Israelis willing to pay for the basic TOWS?  
A. They (thru Copp) have funds to pay Fair Market Value (FMV should be about \$4900-\$600 ea. depending on age) and to cover the cost of transportation. They do not have enough to pay for I TOW (about \$9500 ea or TOW II ((about \$19000 ea.). We have frequently sold the Israelis weaps/material at FMV vice the replacement cost to the U.S. Since we have over 100K of the basic TOW in our inventory and cannot even use it in training due to its age, we ought to look at this as an opportunity to collect on a weapon which we aren't using (all are in PWR according to Koch) and will eventually have to dispose of because we cannot sell them off otherwise. (I'm told that Hughes Acft, the mgr. has an agreement w/ DoD that all normal FMS transactions will be handled as a producer sale in order to keep DoD fm undercutting the production line by selling off old stocks).

The most recent proposal (Copp as agent for the CIA and sales to the Israelis who then deliver weaps to the Iranians) can only work if we can get the Israelis to come up on their price. I have been unable to contact NIR who is in Europe for a meeting. He still does not know that we are aware that the Iranians have offered \$10K per TOW. He has however left a message that we must have a go/no go decision today and that conditions in Brit. continue to deteriorate.

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under provisions of E.O. 12356  
by K Johnson, National Security Council



5759

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15 JAN 86

From: NSCLN --CPUA  
 To: NSRMP --CPUA

Date and time 01/15/86 18 37 -7

\*\*\* Reply to note of 08/31/85 13:26

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# 28735**UNCLASSIFIED**

NOTE FROM: OLIVER NORTH

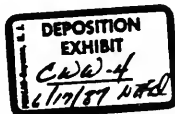
Subject: PRIVATE BLANK CHECK

Nir just called again. He has advised that he believes the GOI is about to formally withdraw its offer to assist on this matter so that it cannot be blamed when the AMCITS are killed. I asked him about the rumor that one had already been killed. He replied that it was probably another of the Jews since they (Hizballah) will undoubtedly kill the Jews first to make their point.

I then asked NIR to reconfirm the requirements as he understood them. He said that the Iranians want 1000 TOWs, 25 Moslems released by Lahad and the AMCITS and any surviving Jews wd be released along w/ the Brit if they (the IRG) can still find him.

The Israelis are very very concerned that they cannot make a delivery of 1000 TOWs w/o a promise to replenish. Nir points out that he is operating in an environment which is very hostile since the USG never made good on its promise to promptly replenish the original 304 TOWs that they shipped in September and that if we had but sent these TOWs as promised it might have been possible to take the further risk of another 1000.

IAW instructions have invited Sec W'bgr to msg w/ Casey in yr ofc at 1700 on Thursday. It is my sense that by that time we will have a msg fm the GOI that they are withdrawing their offer. Is it possible to arrange a secure conference call tonight to see if we can make this work? V/R North



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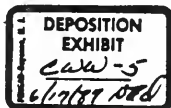
## MEMORANDUM FOR RECORD

SUBJECT: Meeting on November 10, 1986, with the President, Vice President, Secretary Shultz, DCI Casey, Attorney General Meese, Don Regan, Admiral Poindexter, and Al Keel, in the Oval Office

[REDACTED] The President said we did not do any trading with the enemy for our hostages. We do need to note that [REDACTED] (Khomeini) will be gone someday, and we want better leverage with the new government and with their military. That is why we felt it necessary to give them some small defensive weapons.

We can discuss that publicly, but no way could we ever disclose it all without getting our hostages executed. (We must make it plain that we are not doing business with terrorists. We aren't paying them or dealing with them.) We are trying to get better relations with Iran, and we can't discuss the details of this publicly without endangering the people we are working through and with in Iran. I pointed out we must bear in mind we have given the Israelis and the Iranians the opportunity to blackmail us by reporting selectively bits and pieces of the total story. I also pointed out that Congress could -- and probably would -- hold legislative hearings. Admiral Poindexter pointed out that we do want a better relationship with Iran.

In <sup>Jan</sup> ~~June~~ 1986, the President <sup>agreed</sup> made a formal finding under Section 501 of the Arms Export Control Act which directs the DCI not to notify Congress until further notice, and authorizes discussion with friendly groups which are trying to get a better government in Iran. I had not known of this finding before <sup>Nov. 1986</sup> -- Shultz said he had not known of it either. We needed to help those elements to get a more pro-U.S. government in Iran. Poindexter continued that we assisted Israel initially because we found Israel was sending arms to Iran [REDACTED] and also wanted the Iran-Iraq war to end as soon as possible. Admiral Poindexter said that McParlane went to Iran in May 1986, and that was the only trip he made, and then we started working through [REDACTED] of Rasfanjani. Previously we had used an Israeli agent called Gorbanfar. We also used many channels to try to get the hostages back. [REDACTED] others proved no good because the Iranians always insisted that the Dahan prisoners held by Kuwait be released. We finally did authorize the release of 500 TOWS sold by Israel to Iran, and another 500 were sent last week. This was all arranged as a result of a meeting with Rasfanjani's [REDACTED] came here to show that he was a legitimate representative of the government. Poindexter reported there were several meetings

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in Europe and elsewhere.

I reminded John that he had always told me that there would be no more weapons sent to Iran, after the first 500 TOWS, until after all of the hostages were returned, but unfortunately we did send a second 500 because it "seemed the only way to get the hostages out", according to Poindexter.

Poindexter pointed out the hostage taking had stopped for a year. I pointed out that they took three more quite recently. Poindexter pointed out that this was not done by the same people or Iranians.

[REDACTED] publicized Rasfanjani's contacts with the U.S. Rasfanjani then felt he had to speak out against the U.S. and the McParlane trip. Because of the obvious errors in Rasfanjani's speech, Poindexter thinks he is sending a message that he "wants to work with us." Colonel North thinks we can get two more hostages out by the weekend. I don't. (We didn't.) We have told all our friends in the Mid-East, and according to Poindexter they agree, they would like a negotiated settlement and the war to end.

[REDACTED]

The President said this is what you had to do to reward Iran for the efforts of those who could help. Actually the captors do not benefit at all. We buy the support and the opportunity to persuade the Iranians.

I again pointed out we will have to answer many questions and have Congressional hearings. The President said we need to point out any discussion endangers our source in Iran and our plan, because we do want to get additional hostages released. Mr. Shultz spoke up for the first time, saying that it is the responsibility of the government to look after its citizens, but once you do deal for hostages, you expose everyone to future capture. He said we don't know, but we have to assume the captors will get someone. He said he felt the Israelis sucked us up into their operation so we could not object to their sales to Iran. He pointed out there will be a lot of questions after any statement, even after a statement such as Mr. Casey

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proposed to read. The President said we should release the statement, but not take any questions. Mr. Regan said we are being hung out to dry, our credibility is at stake, and we have to say enough. Shortly thereafter the meeting adjourned on the note that revised drafts of the Casey proposed statement will be sent to us.

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23 Dec 86

**UNCLASSIFIED EYES ONLY**

THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA



December 23, 1986

Honorable George P. Shultz  
 Secretary of State  
 Department of State  
 Washington, D.C. 20520

Dear George:

I attach a memorandum which I have sent to the White House, and about which I feel very strongly. I think the memo discusses a very bad way to do very bad business. I hope that we will soon have an NSPG to prevent what I see is substantial further damage that can come to the Administration from a continuation of the same practices that have caused so much of the trouble we are experiencing now.

I think it is particularly unfortunate that the State Department's public statements are now denying that we are continuing contacts with the Iranian government through Third Country representatives, which is true only in the most technical sense of terms, and which I am afraid will cause further adverse reactions when the truth is known.

Sincerely,



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 under provisions of E.O. 12356  
 by K. Johnson, National Security Council

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**UNCLASSIFIED**  
THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

22 December 1986

*al*

MEMORANDUM FOR THE ACTING ASSISTANT TO THE PRESIDENT FOR  
NATIONAL SECURITY AFFAIRS

When the President announced in late November or early December that all further arms shipments to Iran had ceased, and after it became apparent that the channels we were using to discuss hostage release, and other matters with the Iranians were, at the very least, ineffective, and, as is easily apparent now, totally counterproductive, I had assumed that we were finished with that entire Iranian episode and so testified to Congressional Committees during last week. I was astounded, therefore, to learn, on Friday, December 19, 1986, after my testimony, that United States "negotiators" were still meeting with the same Iranians. I learned this not from our State Department or from anyone in the American government, but by the same route I learned initially of the original discussions with the Iranians about arms sales, that is to say [REDACTED].

When we inquired of the [REDACTED] NSC as to the meaning [REDACTED] I was finally advised that we did indeed have negotiators, namely, Mr. Raphael of the State Department, and probably others, still negotiating with the same elements in the Iranian group. I was told that we were no longer talking with them about selling them arms and I hope this is true, but I have no way of knowing if it is true.

I must point out as strongly as I can that any attempt to conduct major activities in the security field with the deliberate exclusion of those who have some responsibility for security cannot succeed in anything but adding to the trouble we already have. I would very much have appreciated an opportunity to present to the President arguments as to why we should not continue dealing with these channels in Iran. Their total unreliability and inability to produce anything except public accusations against the United States makes the entire procedure not only fruitless, but particularly dangerous in view of today's Iranian problems.

I think the President was entitled to have the advice of all of his security advisors, and I must strongly object that the continuation of this practice of secrecy and attempts to exclude various advisors whose advice it is apparently feared

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may not support the agenda of the State Department, in this case, or some other agenda in other cases, can only get us in more and more difficulty, and serves the President very badly. I therefore ask that there be a meeting of the National Security Planning Group so this matter can be discussed properly, and presented properly, to the President, and that our so-called negotiators with the Iranian government, wherever they are, be brought home and instructed not to take any further action of any kind to meet with or discuss anything with Iranian government officials unless and until there is a Presidential decision growing out of an NSPG meeting to do so. And if there is such a decision, I would ask that the Defense Department and the NSC be kept fully informed and advised, and consulted as to what is happening or about to happen.

I am sorry to be so blunt about it, but it seems to me incredibly wrong that the precise mechanisms of secrecy and attempts to exclude advisors who, it is feared may have different views, which helped cause so many of our present difficulties, are apparently being pursued by the State Department at this time.

I have now learned, thanks to your forthcomingness with me, and by reason of our investigations, that McFarlane had actually offered the Iranians sensitive intelligence information, passed by the U.S. as to Iraq, and that State plans another meeting with the Iranians on December 27 in Geneva. I urgently urge that no such meetings be permitted until we have had the NSPG you very forthrightly offered.

I will urge, at that meeting that we tell all Iranians in whatever channel or channels there may be that we will discuss nothing with any of them until all American hostages are returned unharmed. The terms of reference you kindly showed me today seem to me to be wholly inadequate.

cc: Don Regan


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65- 1088

15 March 1985 **C 2710**

MEMORANDUM FOR: THE RECORD

SUBJECT: Breakfast with Secretary and Deputy Secretary of Defense, 15 March 1985

DEPOSITION EXHIBIT  
*CWA-2*  
*6/17/89 WRA*

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C 2711

7. [REDACTED]

[REDACTED] Secretary's

[REDACTED] no

[REDACTED] did

[REDACTED] today. In closing

[REDACTED] Secretary stated that he had heard that

[REDACTED] for the Congress in 1971

*[Handwritten signature]*

[REDACTED]

- cc DOI
- DOO
- EA/DDCI
- EA/DCI
- Exec. Sec.
- Exec. Registry

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Pages C2707-C2708  
(cover sheet)

Denied in their  
entirety

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C 2709

Meeting w/Secretary and Deputy  
Secretary Defense 15 Mar 85

11

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WELD COPY

1 RPTS MAZUR

2 DCMN DONOCK

3

4 DEPOSITION OF WILLIAM WELD

5

6 Thursday, July 16, 1987

7

8 House of Representatives,

9 Select Committee on Investigate

10 Covert Arms Transactions with Iran,

11 Washington, D.C.

12

13 The select committee met, pursuant to call, at 2:00 p.m.,

14 in Room B-352, Rayburn House Office Building, Pamela J.

15 Naughton [Staff Counsel to the select committee] presiding.

16 Present: On behalf of the House Select Committee: Pamela  
17 J. Naughton, Staff Counsel; and Ken Buck, Assistant Minority  
18 Counsel.19 On behalf of the Senate Select Committee: Thomas McGough,  
20 Associate Counsel.



MS. NAUGHTON: Okay. We are on the record.

22 . It is a deposition of William Weld, and the witness  
23 has already been sworn. I am Pamela J. Naughton, Staff  
24 Counsel to the House Select Committee to Investigate Covert  
25 Arms Transactions With Iran.

26 . Will the people present around the table introduce  
27 themselves?

28 . MR. MCGOUGH: I am Tom McGough, Associate Counsel  
29 with the Select Committee.

30 . MR. BUCK: Ken Buck, Assistant Minority Counsel for  
31 the House Committee.

32 . THE WITNESS: William Weld, Assistant Attorney  
33 General, Criminal Division, Justice Department.

34 Whereupon,

35 . WILLIAM WELD  
36 was called for as a witness and, having been previously duly  
37 sworn, was examined and testified further as follows:

38 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

39 . BY MS. NAUGHTON:

40 . Q Mr. Weld, when did you become the Assistant Attorney  
41 General for the Criminal Division?

42 . A September 15 or 16, 1986.

43 . Q And before that, you were?

44 . A From November 1, 1981 until September 15, 1986, I

45 was ~~under~~ United States Attorney for the District of

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46 Massachusetts with my duty station in Boston, Massachusetts.

47 . Q Prior to your becoming U.S. Attorney, did you have  
48 experience in criminal law enforcement?

49 . A Not much. I had been for 10 years with a Boston law  
50 firm, Mill and Barlow, where I was a litigation partner. I  
51 had a total of three or four criminal defense cases that I  
52 had taken on referral from the Public Defender. I had nine  
53 months of working on the Watergate impeachment matter in  
✓ 54 1973<sup>4</sup> ~~was~~--I was Associate Minority Counsel for the House  
55 Judiciary Committee on the impeachment inquiry.

56 . I had taken six months off to run for Attorney  
57 General of the State of Massachusetts in 1978, and I had  
58 been a judicial law clerk for the Supreme Judicial Court of  
59 Massachusetts, where most of the business was criminal, but  
60 by no means all of it.

61 . Q And I gather in your capacity as U.S. Attorney, you  
62 have supervised probably hundreds of criminal prosecutions?

63 . A Thousands, yes.

64 . Q Okay.

65 . Now, I want to address the issue of the Iranian arms  
66 sales. In early November, around the 3rd or 4th, newspaper  
67 stories started breaking regarding the sale of  
68 Israeli--excuse me; of American-made arms to Iran. Do you  
69 recall when you first heard of that?

70 . A Oh, I probably read about it at the time the stories

;

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71 were first published. I think the first time I became  
72 engaged with respect to the matter was in dealing with the  
73 Evans case that was pending in New York City, and upon  
74 reviewing my records, it looks to me as though that was  
75 November 10, 11, 12, that year.

76 . Q Prior to reading about it in the newspapers, did you  
77 have any knowledge of the U.S. participation in arms sales  
78 to Iran?

79 . A I don't believe so, no.

80 . Q Okay. Can you tell us what your involvement was  
81 then, and with the Evans case, beginning on or before  
82 November 10 of 1986?

83 . A Yes. That was a case pending against one Samuel  
84 Evans, an American lawyer, and others for violating the  
85 export control laws by conspiring to have weapons go to  
86 Iran, and as I learned in November, one of the defenses  
87 offered by the persons scheduled to go to trial was that they  
88 believed they were acting in a manner authorized by the  
89 United States Government.

90 . Q Excuse me. Was this a defense that was recently  
91 posed after the public revelations or is this a defense that  
92 they had been asserting prior to the first week of November?

93 . A I believe it is a defense they ~~had~~ <sup>had</sup> been asserting  
94 prior to the first week in November.

95 . Q Okay, please continue.

97 A At any rate, the public statements concerning  
98 alleged official American sales of arms to Iran obviously  
99 raised questions in the mind of Judge Sand, among others,  
100 who had the case in New York, as to what the full story was,  
101 so the attorneys from the Southern District of New York  
102 called down to the Criminal Division, specifically Deputy  
103 Assistant AG Mark Richard and also myself, I became involved,  
104 for some help in giving themselves comfort that they could  
105 make a representation to the court that the actions by the  
106 defendants in the Evans case were not officially sanctioned.

107 The line attorney to the case was a woman named  
108 Lorna Schofield, and I believe I dealt also with Denny  
109 Young--Denison Young, and Benito Romano, who were in a  
110 supervisory capacity in that office.

111 I can't remember whether I first heard of this from  
112 Mark Richard or from some other source, but I remember  
113 carrying the message upstairs--I think perhaps to a daily  
114 morning staff meeting, saying in effect, "Hey, we need--we  
115 need to give an answer to Judge Sand. We <sup>have</sup> had a draft  
116 opposition that New York proposes to file, but, you know, we  
117 have got to make sure that when we say there was no  
118 government involvement here, or this was not even capable of  
119 a type of activity authorized by the government, we have got  
120 to make sure when we say those things, that they are  
accurate," so I carried that message upstairs.

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121 . Q Okay.

122 . Was there any sort of affidavit or declaration to  
123 appear, or was this simply to be a statement deposed in the  
124 motion papers?

125 . A I think it was in a motion paper. I do recall that  
126 there was a document that I was working off at some time,  
127 and I think it was--you have it. I saw it when we did my  
128 interview. I think it was in the nature of a representation  
129 in a motion paper.

130 . Q Okay. And they are looking to Main Justice for  
131 confirmation of that position; is that correct?

132 . A Yes. They sent down a draft, and I think the first  
133 draft I saw said something such as, well, the events  
134 discussed by President Reagan at his recent news conference  
135 ~~is~~ <sup>have</sup> no connection with the events at issue in <sup>the</sup> case--something  
136 broad and conclusory like that.

137 . I was not terribly comfortable with that language.  
138 I mean, how would the author of that memorandum know that?  
139 I think Mark Richard felt the same way, so our theme was  
140 more homework has to be done here.

141 . Q Did the Evans at all involve Adnan Khashoggi?

142 . A I think that Sam Evans used to represent Adnan  
143 Khashoggi, although I am not positive about that. I think,  
144 yes, his name definitely came up in that case. He was not a  
145 named defendant--I don't think, but I recall the names

146 | Khashoggi and De la Rocque both being associated with Evans  
147 | and Evans' defense.

148 | . Q Were there any other shall I say common denominators  
149 | between the Evans case and what you know of the U.S.  
150 | Government Iran initiative?

151 | . A I should say that I am no expert on the U.S.  
152 | Government Iran initiative, but one topic that came up  
153 | quickly was the type of materiel being shipped to Iran.  
154 | There were TOW missiles, HAWK missiles, F-14 spare parts,  
155 | night vision equipment and something else that I can't  
156 | remember--with the five categories involved in the Evans  
157 | case, and I remember asking early on, well, you know, were  
158 | these involved in the shipments to Iran, and I recall Mr.  
159 | Meese saying at one point, "No, only one or possibly at  
160 | most two of those things are common--" so there was some  
161 | common link, I believe, in the type of equipment shipped to  
162 | Iran.

163 | . Q Okay.

164 | . A Again, as far as I am concerned, this is allegedly  
165 | in both cases.

166 | . Q Sure. Did you take this eventually to the attention  
167 | of the Attorney General?

168 | . A Yes.

169 | . Q Do you recall when?

170 | . A Well, it got quite quickly to the attention of the

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171 Attorney General. I--I believe I must have raised it at an  
172 8:30 staff meeting, because during that week, between  
173 November 10 and November 17, the Attorney General  
174 essentially undertook to supply the information which would  
175 be necessary for the motion papers in the New York case, or  
176 to perform due diligence work, if you will.

177 . Q Prior to this, do you know whether or not the  
178 Attorney General undertook to ask Admiral Poindexter whether  
179 or not the arms sales that were in the Evans case were  
180 sanctioned? In other words, did he do this in the summer or  
181 early fall of 1986?

182 . A I have no knowledge about that. After--you know, one  
183 or two meetings with the Attorney General on the Evans  
184 moving papers, I said, look, how can we be sure about this,  
185 and I was talking with--with him and Ken Cribb, C-r-i-b-b--and  
186 either Ken or the Attorney General suggested that the matter  
187 be run past the Assistant to the President for National  
188 Security Affairs, who is Mr. Poindexter.

189 . Q Okay.

190 . A And if you look at the drafts of the moving papers  
191 or affidavit, whatever it is, that I was working off of, you  
192 will see on one of them that there is inserted in my  
193 handwriting the words, 'and after consultation with the  
194 Assistant to the President for National Security Affairs.'  
195 That was done at a sitdown I had with Ken and the AG one

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196 morning, at which Ken mentioned that the language in the  
197 moving papers had been, "fly-specked past Poindexter,"  
✓ 198 meaning as I understand <sup>it</sup> ~~that~~ reviewed in detail.

199 . Q Who had done this?

200 . A The AG was my understanding.

201 . Q Was there any discussion at that time of the  
202 Attorney General doing this on his own?

203 . A Having done it earlier?

204 . Q Yes.

205 . A No.

206 . Q Okay.

207 . What about at this particular time? Was there any  
208 discussion when he said we should go to Poindexter as to who  
209 should do that?

210 . A Gee, I have always thought the AG did it personally.

211 . Q Oh, I am not indicating any knowledge to the  
212 contrary. What I am saying is, did the Attorney General  
213 say, "I will do this myself" or did he say maybe someone  
214 else should do it, or was there a discussion of who should  
215 do it?

216 . A I think he ~~was~~ <sup>undertook</sup> to do it himself. There was  
217 one meeting where he said he would do it, and then this  
218 morning meeting with him and Ken Cribb was a later meeting  
219 where I learned that it had been done, and that is when I  
220 wrote in my copy of the moving papers which I later sent up



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✓ 221 | to John Richardson, I think on November 17, you know," after  
✓ 222 | checking with Poindexter."

223 | . Q Okay.

224 | . Do you know when that went out to the Southern  
225 | District of New York?

226 | . A No.

227 | . Q Was it shortly after you sent it up to Mr.  
228 | Richardson?

229 | . A I don't know. I would think so.

230 | . Q For the record--

231 | . A It would have gone out presumably from Mark Richard,  
232 | not from John Richardson. I would think in the ordinary  
233 | course, I would have been sending it to John Richardson for  
234 | clearance, and then the Internal Security Section or Deputy  
235 | Assistant AG, Mark Richard or whoever was directly in  
236 | contact with Denny Young or Benito Romano or Lorna Schofield  
237 | would have sent it up. I could be wrong. Maybe it went  
238 | from Richardson.

239 | . Q At any rate, you did not send it to New York?

240 | . A That is right.

241 | . Q Was this a Customs case?

242 | . A Yes. I kept forgetting that, but Customs was the  
243 | investigative agency.

244 | . Q Okay. And did you discuss this language with  
245 | Customs?

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246 . A No.

247 . Q Okay.

248 . Now, at this time, of course, there were revelations  
249 of the U.S. initiative with Iran in the arms sales. Was  
250 this--let's say prior to the November 17--was this a subject  
251 of discussion at any of the staff meetings?

252 . A Yes.

253 . Q Can you give us a flavor of what those discussions  
254 were?

255 . A Well, the thing I remember is a discussion about who  
256 should deal with the press concerning inquiries regarding  
257 Iran--because ~~Substance's~~ <sup>Gigliani's</sup> office in New York, among others, was  
258 getting questions about whether the activities under  
259 indictment had actually been sanctioned by the government,  
260 and his was only one of a dozen or more Iran arms cases  
261 pending around the country.

262 . I remember the Attorney General suggesting that when  
263 it comes to questions concerning Iran, that no comment  
264 should be made by the field.

265 . Q And what was decided regarding how those press  
266 inquiries would be handled at Main Justice?

267 . A Oh, I assume they went to Terry Eastland as per  
268 usual, Terry Eastland being the Press Secretary.

269 . Q Okay.

270 . Were there any discussions of the substance of the

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271 facts surrounding the arms sales?

272 . A Well, there was some discussion at the morning  
273 meeting on Friday, November 21st, concerning statements  
274 being made to Congress and whether they hung together, that  
275 sort of thing.

276 . Q Okay. Prior to that, though, in the staff meetings  
277 was there discussion of the substantive facts revolving  
278 around the Iranian arms sales as they were coming out?

279 . A My impression is that that was closely held, and  
280 that there was no discussion of what was going on with the  
281 Iranian arms sales.

282 . Q Okay.

283 . Were you aware of Assistant Attorney General  
284 Cooper's activities in trying to find the facts and apply  
285 the law?

286 . A No.

287 . Q Okay. Do you know whether or not anyone in the  
288 Criminal Division was aware of that?

289 . A I would be reasonably sure that no one was.

290 . Q Okay. So, his activities prior to November 20,  
291 let's say, were not discussed in any staff meetings of any  
292 kind that you can recall; is that correct?

293 . A Right. There's an 8:10 a.m. and an 8:30 a.m. every  
294 day. I go to the 8:30. I don't go to the 8:10. I can't  
295 speak to the 8:10.

296 . Q Okay, in the 8:30 meetings, then, you don't recall  
297 that being--

298 . A I am pretty clear that was not discussed.

299 . Q Okay.

300 . By the way--strike that.

301 . Okay, now, as to November 21, you attended the 8:30  
302 meeting.

303 . A Yes.

304 . Q Okay. And did the subject of the Iranian arms sales  
305 come up?

306 . A Yes. I believe the Evans case came up, and I recall  
307 saying that I wasn't sure it was such a good idea for the  
308 Criminal Division and the FBI not to be involved in the  
✓ 309 process of researching the government to be able to make a  
310 representation to the court as to--you know, what was in  
311 accordance with official policy and what wasn't.

312 . Q Okay.

313 . When you say in researching the government, you mean  
314 the U.S.-Iran initiative arms sales as opposed to the Evans  
315 arms sales?

316 . A Right.

317 . Q To see whether or not there was--

318 . A My point was in order to make a representation to  
319 the court, you have to have somebody who knows all the facts  
320 of the Evans case and all the facts of the U.S. arms sales,

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321 and that it didn't make sense for very high-ranking  
322 officials to be researching the U.S. Government side of the  
323 case unless they were intimately familiar with the Evans  
324 side of the case as well.

325 . Q Okay.

326 . Why did you suggest the Criminal Division <sup>and</sup> ~~in~~ the FBI  
327 to do this?

328 . A Well, you know, I think this is--I think this is one  
329 of those times when I forgot that Customs had the Evans  
330 case. I was thinking the AUSA, the agents on the case,  
331 maybe someone from Internal Security, Joe Tafe, who was  
332 already serving as a liaison on that case.

333 . Q And for the record, the Internal Security Section is  
334 part of the Criminal Division?

335 . A It is part of the Criminal Division, yes.

336 . Q So, basically people who were familiar with the  
337 general facts of Iranian arms sales to begin to look into  
338 the--the U.S. initiative regarding sales of weapons to Iran.

339 . A Right, in order to be able to answer the defense  
340 motions.

341 . Q All right.

342 . A And when I said Criminal Division and FBI, I think  
343 what I really mean is attorneys and agents. Some of the  
344 Iran arms cases around the country are FBI cases, and some  
345 are Customs.

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346 . Q Okay.

347 . When you--I take it that you were the one who  
348 mentioned this at the meeting; is that correct?

349 . A Yes.

350 . Q All right. And when you said that, what was the  
351 response?

352 . A People were surprised, because I--this was a new  
353 topic I was raising, and I raised it with some feeling, and  
✓ 354 I remember Mr. Trott looking at me with what I thought WAS  
355 surprise.

356 . I am not certain whether Mr. Burns was there as  
357 well. I think he was. I am certain that Mr. Meese was not.

358 . Q Okay.

359 . MR. McGOUGH: You are certain about Mr. Meese was  
360 not at the meeting?

361 . THE WITNESS: He was not at the Friday, November  
362 21st, 8:30.

363 . BY MS. NAUGHTON:

364 . Q Was Mr. Reynolds there?

365 . A Yes, definitely.

366 . Q And Mr. Cooper?

367 . A Yes.

368 . Q And you mentioned Mr. Trott and Mr. Burns. Was  
369 there anyone else there that you can recall?

370 . A Oh, there was a full table, because I was sitting

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371 | down at the very end, so there would have been 10 people  
372 | there anyway.

373 | . Q Okay.

374 | . A The people who customarily attended that meeting,  
375 | although I don't recall anyone except for Trott, Reynolds  
376 | and Cooper definitely being there, but the people who  
377 | usually attended would include Terry Eastland, John Bolton,  
378 | who is the Legislative Assistant AG; Steve Markman, who was  
379 | at the Office of Legal Policy--

380 | . Q Does Kathy Appleyard usually sit in on those as  
381 | well?

382 | . A She has been for a number of months. I am not  
383 | certain whether that was the practice in November. I would  
384 | say no. Also, although I never thought about it before, I  
385 | tend to think she is there only when the AG is there.

386 | . Q Okay.

387 | . Was Mr. Richardson or Mr. Cribb there?

388 | . A Could have been--yeah, I should add them to the list  
389 | of customary attendees.

390 | . MR. MCGOUGH: Mr. Habicht?

391 | . THE WITNESS: No, he is not a customary attendee,  
392 | although he sometimes does if there is a matter involving  
393 | the Lands Division.

394 | . BY MS. NAUGHTON:

395 | . Q Okay. Do you recall, was Mr. Cooper there

396 throughout or did he come late or--

397 . A You know, I don't recall that. The reason I say  
398 Brad Reynolds and Chuck Cooper were there is I recall  
399 talking to them at the conclusion of the meeting. I have  
400 read recently in the press that Mr. Cooper was at an 8 a.m.  
401 meeting at the CIA on that day, and I am trying to think if  
402 I am crazy for remembering that, but I think he and Brad  
403 were there at least at the conclusion.

404 . Conversely, it is conceivable that Mr. Meese had  
405 been there early, and then left, but he wasn't there when I  
406 made my statement about the Criminal Division and the FBI.

407 . Q Mr. Cooper did testify he did not spend a great deal  
408 of time at the CIA that morning. Do you have any  
409 recollection how long the whole meeting took?

410 . A They usually break up around 9:00.

411 . Q Okay.

412 . A But they sometimes go as late as 9:20.

413 . Q Okay.

414 . You stated that you expressed your feelings rather  
415 strongly. Can you give us a sense of what you said?

416 . A My exact words, as best I can recall, were I am not  
417 sure it makes very much sense for the Criminal Division and  
418 the FBI not to be involved in this.

419 . Q Um-hum. Did you also make any comments regarding  
420 the Attorney General being used as a fact-gatherer?



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421 . A I had discussed that with Mark Richard downstairs  
422 that I could not see the wisdom of that. I cannot now  
423 recall whether I said that at that morning meeting, but if I  
424 so stated at my interview, then--

425 . Q My notes indicated you referred to that the Attorney  
426 General should not be a gunshoe--

427 . A Okay; that sounds like me.

428 . Q --was what I wrote down.

429 . A That sounds like me.

430 . Q Okay.

431 . A I don't now recall saying that at that meeting. I  
432 certainly said that in conversation with Mark Richard.

433 . Q What did you mean by that?

✓ 434 . A Well, he has got <sup>^</sup>limited number of hours in the day.  
435 If there are--if there is factual research that needs to be  
436 done to support a statement being made in--you know, one  
437 motion in one of the 30,000 cases we have pending, get  
438 some--somebody from the office or the Internal Security  
439 Section to do it.

440 . It is a question of his time. And the point I made  
441 earlier about, you know, he is going to have to take time to  
442 get steeped in all the Evans facts in order to be the  
443 signatory as it were on the representation to the court.

444 . Q Sure.

445 . Did you know at this time that the Attorney General

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446 had actually participated in drafting of the January 17  
447 finding?

448 . A No, I had never heard of the January 17 finding at  
449 that point. Had I? Had that been--

450 . Q I wouldn't know.

✓ 451 . A Any way, the answer is no.

452 . Q What I am getting at is, was there a concern solely  
453 for the Attorney General's time, or did it also encompass or  
454 concern about being a fact-finder if one was involved with  
455 the initiative?

456 . A No, I think it was just a management issue. It is  
457 crazy to have the top people going out doing fact research.

458 . Q Okay.

459 . After you mentioned this--and I believe you stated in  
460 your interview rather warmly. I wrote that down, too.

461 . A Yes.

462 . Q What was the response? Do you recall what people in  
463 the room had to say about that?

464 . A No. The discussion, I recall, was after the meeting  
465 broke up, Mr. Cooper and Mr. Reynolds were still seated next  
466 to each other at the table, and I came over on the other  
467 side and said something like, well, you know, I don't mean  
468 to overstate this point, but it just seems to me that we  
469 ought to be able to manage it a little bit better.

470 . I was trying to take back from the warmth of my

:

471 | statement so that people wouldn't think that I was  
472 | particularly angling for business, but I just want to make  
473 | sure this got done in a way that made sense, and that led to  
474 | a conversation involving Chuck and Brad, where Brad I  
475 | believe said, "Well, somebody has got to get involved here,  
476 | because there are a lot of statements going around and  
477 | statements being prepared for the Mill, and these things  
478 | aren't hanging together."

479 | .           And I said, "Well, that is way over my head," and  
480 | Brad said, "Well, that is way over all of our heads."

481 | .    Q    Okay. Do you recall if Mr. Cooper said anything on  
482 | that subject?

483 | .    A    Yeah, I think he did more or less along the lines  
484 | that Brad was saying, but I am not sure.

485 | .    Q    Okay.

486 | .           Did either of them mention Director Casey's  
487 | testimony specifically, that you recall?

488 | .    A    I wouldn't be surprised. I think that Director  
489 | Casey's testimony had been in the news either the day before  
490 | or the day of, so that it would have been topical.

491 | .    Q    Well, did either of them tell you what was being  
492 | done about that, these dissimilar statements that were  
493 | coming out?

494 | .    A    No.

495 | .    Q    Okay. Did they indicate--either of them indicate to

496 you that the Attorney General was personally involved in  
497 helping to review drafts of the Casey testimony?

✓✓ 498 . A No, I don't think so. It wasn't that in-depth a  
499 conversation. Brad was being ~~factious~~<sup>tactful</sup> in a way ~~of~~<sup>by</sup> saying,  
500 "Yeah, you are right. Someone has got to get in here and  
501 have a look around."

502 . Q But when he said that, did he indicate that someone  
503 was?

504 . A No. I don't believe that I understood that Mr.  
505 Reynolds or Mr. Cooper was doing that.

506 . Q Okay.

507 . Was there anything else on that subject at the  
508 meeting or--after the meeting?

509 . A I don't think so.

510 . Q Okay.

511 . After you returned to your office, did you assign  
512 anybody to do research on the legal issues involved?

✓ 513 . A I called up <sup>G</sup>erry McDowell, who is head of the  
514 Public Integrity Section of the Criminal Section at some  
✓ 515 point; I guess it was that Friday, and said, "Hey, <sup>G</sup>erry,  
516 about Iran, why don't you have somebody have a look see  
✓✓ 517 whether, if the stories in the papers are true, ~~are~~ there  
518 might be any violations of law implicated."

519 . Q By calling the Public Integrity Section then, I take  
520 it you were focusing on public officials?

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521 . A Yes.

522 . Q Okay. And did Mr. McDowell look into that for you?

523 . A He had ~~become~~ <sup>to Ann</sup> Fairington, who is a special assistant

524 to him, look into it, and she gave him a memo on Saturday,

525 November 22, which I don't believe I saw until several days

526 later.

527 . Q Okay.

528 . And did that memo outline certain statutes that may

529 be applicable?

530 . A Yes. It was a quick and dirty look. <sup>I†</sup> said, you

531 know, the Arms Export Control statute might be

532 applicable--whatever that 1947--National Security Act might be

533 applicable. Her reading was that as long as it was

534 officials acting within the scope of their duties doing this

535 that none of the criminal penalties would be implicated.

536 . Q Okay. At that time, were you aware of any

537 findings--in other words, were you aware whether or not any

538 of those activities had been authorized?

539 . A No, I was not aware one way or the other.

540 . Q Okay.

541 . Now, on the 24th, did the Attorney General call you

542 in regard to this subject?

543 . A Yes.

544 . Q Do you recall when that was?

545 . A Well, it was during a meeting I was having with my

546 deputies, and those are often ~~the~~ <sup>at</sup> 10 or 10:30 a.m., so I  
547 would say it was between 10 and 11 a.m.

548 . Q Okay.

549 . Do you know if he was calling from his office?

550 . A I don't know where he was calling from.

551 . Q Okay. Do you recall anybody placing the call for  
552 him?

553 . A When I got on the line, I think he was on the line,  
554 but that is his style.

555 . Q He places his own calls?

556 . A Not all of them, but if it is--I think he was on the  
557 line. I don't know that anything turns on it. I am  
558 uncertain about that. I think he was.

559 . Q And when he called you, what did he say to you?

560 . A He said words to the effect of, "I just want you to  
561 know with respect to this Iran matter that the fact that the  
562 Criminal Division is not involved is not negligence or a  
563 product of sloppiness, and you should not be concerned that  
564 matters are, you know, falling between the cracks. This is  
565 being done that way on purpose."

566 . Q Okay.

567 . Did he allude to what was being done?

568 . A No. I took his statement to refer to my expression  
569 of concern at the Friday meeting. My inference was that  
570 someone had reported to him that I had expressed this view

571 with some warmth, and he should--that he might want to give  
572 me a call to make sure that I understood that the matter was  
573 being handled.

574 . Q But did he tell you by whom or what was being done?

575 . A No, that is just about all he said.

576 . Q Do you recall what your response was?

577 . A I said, "Ed, I--I gather--or I did--I did register a  
578 concern at the Friday meeting about you doing this research,  
579 and my only thought is that if you <sup>try</sup> ~~used~~ to carry too much  
580 water here that some may spill on you." Those were my  
581 words.

582 . Q Can you tell us what you meant by that?

583 . A Well, if you are going to be responsible for making  
584 a representation to a court in a court paper, you have to be  
585 very sure of your facts, and I guess my meaning was that it  
586 would be difficult for him to be sufficiently on top of both  
587 the facts on the Iranian arms sales by the government and  
588 the facts in the Evans case to be able to make a clean  
589 statement that, you know, the activities in Evans had no  
590 connection with the activities that the government had been  
591 carrying on.

592 . Q Um-hum. Did you mention to him the research that  
593 you had had done?

594 . A No, I don't even think it was in my mind. As I say,  
595 I didn't see it until sometime later, and when I did, it was

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596 an anti-climax. I didn't really dwell on it until I saw it  
597 in document production in February of '87.

598 . Q Between the time of that phone call and the Attorney  
599 General's press conference the next day, where obviously the  
600 whole word was told it was happening, did you have any other  
601 discussions or learn anything or read anything pursuant to  
602 the subject matter?

603 . A Read anything--you mean other than in the newspapers  
604 or--

605 . Q Correct. Yeah. Was anything going at the  
606 Department of Justice regarding this issue?

607 . A That I was involved in?

608 . Q Yes, sir.

609 . A I don't think so. I think I got off that train and  
610 the next I heard was when Mark Richard called me and said  
611 there had been a press conference and Poindexter resigned  
612 and North had been fired.

613 . Q Did you have any knowledge on that day, on the 24th,  
614 that Brad Reynolds and Chuck Cooper had met with Tom Green,  
615 the attorney for Oliver North?

616 . A No.

617 . Q Or actually for Secord?

618 . A No.

619 . Q After the Attorney General's press conference, what  
620 did you do?



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621 . A Well, Mark Richard called me. I was in my office.  
622 He said that this press conference had occurred. Poindexter  
623 resigned; North had been fired. I said, "Wait, wait.  
624 Timeout. You better get in here and bring me up to speed on  
625 this." He said okay.

626 . As soon as he got into my office, which would have  
627 been 30 seconds later, we received a call to go up and see  
628 Steve Trott on the fourth floor.

629 . Q For the record, Steve Trott is?

630 . A He is the Associate Attorney General.

631 . Q Okay.

632 . A Steve said, "You two guys," meaning Richard and  
633 Weld, "are to go meet with Chuck Cooper now and <sup>scope</sup> ~~scope~~ out  
634 what the possible criminal implications of this scenario as  
635 described by the press conference might be."

636 . So, we proceeded from Trott's office to Cooper's  
637 office to do that.

638 . Q Okay. What did he tell you?

639 . A What did Trott tell us?

640 . Q What did Cooper tell you when you went to see him?

641 . A He gave us a little bit of a chronology on past  
642 sales--I think he mentioned September '85, November '85,  
643 February '86, May '86, August '86 and either September or  
644 October '86. He talked about 508 TOW missiles here and then  
645 some Hawk missiles that got returned, and what types of

646 equipment.

647 . He talked about Iranian middlemen and God Knows who  
648 else making a buck on the side, you know, as possibilities.  
649 He talked about the CIA and DOD and the price between them,  
650 and you know, what the implication of that might be for  
651 whether or not American dollars were involved.

652 . And basically, it is like the first year law school  
653 exam question, what torts? This is: What crimes?

654 . Q Did he discuss the diversion of the money to the  
655 contras?

656 . A Oh, yeah. He did. He must have. That was the  
657 topic of the press conference, although you know, I didn't  
658 get a--a transcript of that until later, but in Mark's first  
659 call to me, he had mentioned the diversion, so, yeah, that  
660 was very much discussed.

661 . Q Okay.

662 . A And the Boland Amendment was discussed. During the  
663 initial narrative by Chuck, he took a call from Dick  
664 Armitage at Defense and learned--he said that 508 TOM  
665 missiles was all that the Army had in stock at the time that  
666 the 508 missiles went from Israel to Iran which seemed to  
667 make an impression on him.

668 . Q All right.

669 . Which--when Armitage said that the 508 were all the  
670 U.S. had in stock, what was Cooper's response? Why would

671 | that make an impression?

672 | . A His response was, "Oh, wow." I infer that the  
673 | reason it would make an impression is that it might support  
674 | an inference that the decision by the Israelis to select a  
675 | number 508 to send was the product of some colloquy with the  
676 | Americans, but I am not even sure if I got the countries  
677 | right.

678 | . I am going on my memory of notes of a conversation  
679 | that I didn't understand in the first place.

680 | . Q Okay. When you were--

681 | . A I have detailed notes of this conversation, which I  
682 | am sure would enable me to be more precise, but for whatever  
683 | it is worth--

684 | . Q I think we have those.

685 | . A We did those last time.

686 | . Q Yeah. What I want to try to pinpoint is when you  
687 | were discussing what particular criminal statutes might be  
688 | involved, were you focusing on the diversion of the funds or  
689 | on the legality or illegality of the arms sales themselves?

690 | . A Mark Richard and I were answering it as a what-  
691 | crimes question. First thing that occurred to me was  
692 | conspiracy to violate the Boland Amendment, 371, conspiracy.  
693 | The second thing that occurred to Mark and me both was  
694 | conspiracy to defraud the Congress in the faithful  
695 | administration of the foreign military sales program but,

696 | you know, we considered everything, mail fraud, wire fraud,  
 697 | munitions statutes, arms export control, tax violations, a  
 ✓ 698 | <sup>theft</sup> ~~threat~~ from the government, assuming that there <sup>was</sup> ~~were~~  
 699 | some spread between the price paid to the government and  
 700 | what the property was worth to the Iranians.

701 | .           So, I think that our response was directed to both  
 702 | halves of the situation at that meeting--speaking for Mark  
 703 | Richard and myself.

704 | .    Q    Okay.

705 | .           After you laid these out, did you put it in any sort  
 706 | of a written form?

707 | .    A    I have notes, and I think I recapped my notes into  
 708 | five broad headings when we went in to see the AG at 5:30.

709 | .    Q    Did you communicate with anybody from the FBI or  
 710 | Customs during this time period, that is, Tuesday afternoon?

711 | .    A    That afternoon.

712 | .    Q    On this subject?

713 | .    A    No, I don't think I got out of meetings all day. I  
 714 | went from Trott's office to Cooper's and from Cooper's to  
 715 | the AG.

716 | .    Q    And when you met with the Attorney General, did he  
 717 | tell you he had spoken to anybody at the FBI?

718 | .    A    I had--I have to look at my notes. There was one  
 719 | meeting where he suggested--but I think it was the next  
 720 | morning, where he suggested that he had spoken to Buck

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✓ 721 ~~Revell~~ <sup>Revell</sup> and that he and I and Trott should be briefed by the  
 722 Bureau later in the day--I think that was Wednesday morning,  
 ✓ 723 the ~~16th~~ <sup>26th</sup>.  
 724 . Q Okay.  
 725 . A It would appear in my notes.  
 726 . Q Okay. When you met with the Attorney General at  
 727 5:30 on Tuesday, do you recall what it was he told you?  
 728 . A He said, "Okay, Bill. Let's hear about the  
 729 potential criminal theories--criminal violations." There  
 730 was a bunch of people in the room, eight or 10, and I laid  
 731 out a summary of what Richard and I had come up with with  
 732 Cooper.  
 733 . Q Okay. And did the subject of authority come up  
 734 regarding the 1985 shipments?  
 735 . A Well, I think it was recognized that the answer to  
 736 the criminal questions could be a lot different depending on  
 737 whether--various shipments were taken with authority or not.  
 738 . Q Well, I guess what I am getting at is at this  
 739 meeting, did the Attorney General volunteer any facts that  
 740 he had found out over the weekend or at any other time to--  
 741 . A No, I think that came up at the Wednesday 2:30  
 742 meeting.  
 743 . Q Okay. Did--when you were discussing the Arms Export  
 744 Control Act, which I assumed you did during this 5:30  
 745 meeting--

:

746 . A Briefly.

747 . Q --and the National Security Act, did the Attorney  
748 General tell you that they had proceeded under the National  
749 Security Act so to allay the problems of the Arms Export  
750 Control Act?

751 . A No, I don't think he did.

752 . Q Okay.

753 . Did he impart to you that he had participated in the  
754 finding in January of '86?

755 . A No, we didn't get into that at all.

756 . Q Okay. So this is mainly a recitation by you?

757 . A Me talking now.

758 . Q Okay. And what was his response after you finished  
759 going through your laundry list?

760 . A Thank you very much.

761 . Q Okay.

762 . So there was no sort of discussion or--

763 . A Well, I think my notes make reference to the  
764 Attorney General mentioning some vague conspiracy charge or  
✓ 765 something like that. I led off with conspiracy, <sup>mail</sup> ~~male~~ fraud  
✓ 766 and wire fraud, three of the Attorney General's <sup>least</sup> ~~least~~  
✓ 767 ~~favorite~~ <sup>favorite</sup> statutes, and then I thought of ~~the~~ false statement,  
✓ 768 which is another one of his <sup>least</sup> ~~least~~ favorite statutes.

✓ 769 . Q And recently, the Supreme Court's ~~an~~

770 . A And recently the Supreme Court's. But there was

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771 | some--you know, you are asking about the discussion. There

✓ 772 | was some discussion about meat-and-potato statutes <sup>with</sup> ~~with~~ you

773 | know, specific prohibitory provisions versus these vague

✓ 774 | conspiracy, mail fraud, wire fraud type of statutes.

775 | . Q After the meeting then with the Attorney General and

776 | others, did you do anything else on this issue Tuesday

777 | afternoon?

778 | . A I would think I probably went downstairs and

779 | continued to kick it around with Mark Richard, because 6:00

780 | is not usually when I go home.

781 | . Q Okay.

782 | . Then on the 26th, there was a meeting--actually a

783 | very large meeting which a lot of people attended to try to

784 | get the game plan going. Did you have any meetings prior to

785 | that meeting?

786 | . I think the record will indicate that took place

787 | around 2:45 in the afternoon.

788 | . A Yeah, we had a morning meeting as well.

789 | . Q And was this with Mr. Cooper and Mr. Reynolds?

790 | . A Yes. I am <sup>now</sup> ~~not~~ consulting the three pages of notes

✓ 791 | that I made of the meeting, that I attended. I had a 9:15 on

792 | the 26th with the Attorney General, Mr. Burns, Mr. Trott,

793 | Mr. Reynolds, Cooper, Bolton, Cribb, Kortan, K-o-r-t-e-n,

794 | and John Richardson.

795 | . Q Okay. As a general matter, does Mr. Burns usually

796 take notes at these meetings?

797 . A Not usually, I don't think.

798 . Q And at that meeting, did you discuss how the  
799 Criminal Division was going to handle this new  
800 investigation?

801 . A I think the very first thing that was said was that  
802 the Attorney General said, "Bill, today is the day for  
803 handoff to the FBI and to the Criminal Division."

804 . Q Is there anything that made Wednesday different than  
805 Tuesday night?

806 . A I don't know.

807 . Q In other words, when you left the Attorney General  
808 Tuesday night, did you get the impression that you now had  
809 the authority to go forward and investigate?

810 . A No. I had the impression that was on hold until the  
811 next day.

812 . Q Okay. So, the next day is when you actually heard  
813 of his decision to go forward with the criminal  
814 investigation?

815 . A Yes. My best recollection is that I formed the  
816 impression somehow on Tuesday night that that was on hold  
817 until the next day.

818 . Q Okay.

819 . A So, I would infer that the subject had come up on  
820 Tuesday night.



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821 . Q And what else was discussed at this meeting?

822 . A I believe at the 9:15, the composition of the

✓ 823 investigative--or excuse me, the prosecutive ~~time~~ <sup>team</sup> was

824 discussed, and I said I would probably go with a couple

825 senior people from the Public Integrity Section, which

826 handled Special Prosecutor and Independent Counsel matters.

827 . There is a guy over there, Bill Hendricks, who has a

828 lot of experience in CIA matters, as well, so he was a

✓ 829 natural. I think we put on Alan Carver as well, who ~~is~~ <sup>has</sup> a

✓ 830 ~~special interest specialist~~ <sup>conflict of specialty,</sup> and a military background, too.

831 . The AG said he wanted me to personally supervise

✓✓ 832 this in the interest~~s~~ of speed. He wanted both Jack ~~Keeney,~~ <sup>Keeney,</sup>

833 who is my principal deputy and supervises the Public

834 Integrity Section, and Mark Richard, who is my second

835 principal deputy and supervises the Internal Security and

836 International Affairs Sections, to be involved, and that

837 Chuck Cooper would be a member of the prosecution team as

838 well. So it would be six in all.

839 . Q Did he say why he wanted Mr. Cooper to be involved?

840 . A I don't believe he did.

841 . Q Did the Attorney General ask to be kept informed on

842 a routine basis?

843 . A Oh, sure. I mean, I think that was the point of

844 having me supervise it closely. It was John Richardson said

845 at that meeting--said if anything comes up hot, get it to the

846 AG immediately.

847 . Q Okay.

848 . Now, was it at this meeting or the afternoon meeting  
849 that it was brought up as to whether some facet should  
850 proceed civilly as opposed--

851 . A It was at that meeting.

852 . Q Okay.

853 . A Mr. Cooper said it was his understanding that the  
854 criminal investigation would focus on the diversion to the  
855 contras, and that the investigation that he and Mr. Reynolds  
856 had been conducting of the Iran side of the fence would  
857 proceed on a civil track, although it might throw off leads  
858 for the criminal investigation.

859 . Q Okay. And what was the response to that?

860 . A I am not sure anyone said anything. I probably gave  
861 negative body English, because I didn't draw a distinction  
862 between the two. I know I wrote a question mark in my notes  
863 in the margin, and the--I don't think the idea was kicked  
864 around much after that.

865 . Q What--my notes indicate you told us at your interview  
866 what that that suggestion did not survive the meeting.

867 . A Well, it was never raised again.

868 . Q Okay.

869 . A I don't think we kicked it to death at the meeting.

870 I think it was a trial balloon that didn't go anywhere--that

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871 is unfair to Mr. Cooper. It was a thought that didn't go  
872 anywhere.

873 . Q Nevertheless, you did not see that as any indication  
874 that you shouldn't proceed in any area criminally?

875 . A I mean no way was I going to look only at the  
876 Nicaragua side of the fence.

877 . Q Okay.

878 . A You know, I am trying to remember. I think most  
879 likely I scratched my head or gave some affirmative sign  
880 that I found that suggestion puzzling and people didn't  
881 salute it. It was run up the flagpole and not saluted.

882 . Q Later on then, there was a very large meeting about  
883 2:45 or so in the afternoon with a ~~size~~<sup>cast</sup> of thousands.

884 . A Yeah.

885 . Q Including some people from the FBI, including Mr. J-  
886 a-m-d-r--I believe Mr. Floyd Clark was there, and others.  
887 Did the Attorney General at that meeting describe to them  
888 that you and Mr. Cooper would be team leaders or leading  
889 this investigation--anything to that effect?

890 . A I don't recall a joint command concept. I do  
891 believe it was stated that Mr. Cooper would be on the team.

892 . Q Okay. Mr. Cooper testified publicly that he had the  
893 sense that that did not sit well with the FBI.

894 . A Ma, ha, ha.

895 . Q Does that comport with your recollection?

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896 . A Yes.

897 . Q Okay. Was that expressed to you by the FBI?

898 . A Yes, it was.

899 . Q Do you recall who expressed it to you?

900 . A Every FBI person that I talked to.

901 . Q Okay.

902 . What did they tell you?

903 . A Well, it was really more questioned than telling,

904 but I think we went after the big 2:30 meeting--I think

905 Cooper and I and Hendricks and Carver--and Mark Richard and

906 Jack Ke<sup>e</sup>ney went back down to my office with all the FBI

907 guys, ha, ha, ha, and we sat around and nobody said too

908 much, and at one point, I think Chuck said that he--he

909 certainly hoped that, you know, no major actions would be

910 taken in his absence or without him participating, and the

911 Bureau guys just looked at him, and afterwards Jeff Jamar or

912 one of the Bureau guys asked me, "Hey, what is Cooper going

913 to do?"

914 . Q Did you respond?

915 . A I don't recall what I said. I would have said

916 something like, "Well, you know, he is on the team."

917 . Q Okay. So, the FBI wanted to know basically what

918 role Cooper was going to have in the investigation.

919 . A Yeah, I think it was stronger than that. I mean, I

920 didn't follow Chuck's public testimony, but if he said they

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921 | didn't seem comfortable with that, I would agree with that.

922 | . Q And did they express why they did feel comfortable  
923 | with that?

924 | . A No, I don't think they did. I thought at the time  
925 | it was because they viewed him as a "political" Assistant  
926 | AG.

927 | . Q What is kind of clear from the record that develops  
928 | is that the FBI does not impart anything of what they are  
929 | doing, basically, to the people that are supposed to be  
930 | working on it.

931 | . Did they say anything to you at that time that they  
932 | did want to discuss the details of the investigation with  
933 | Mr. Cooper?

934 | . A I don't know whether they said it or not. It was  
935 | abundantly clear to me. They didn't have to say that for me  
936 | to pick that up.

937 | . Q Okay.

938 | . Later on, on December 1st, 1986, Mr. Reynolds and  
939 | Mr. Hendricks meet with Tom Green, who now is representing  
940 | only Secord. Prior to that meeting, when it was being set  
941 | up, did you discuss with Mr. Reynolds the--the advisability  
942 | of his meeting with Mr.--

943 | . A Yeah, I got wind of this--I can't remember how--but I  
944 | called Brad, and he calls me back again, I think, during a  
✓ 945 | deputies' meeting, because I remember Jack Ke<sup>e</sup>ney and Vicky

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✓ 946 ~~Tungsten~~ <sup>Toensing</sup> and maybe Mark Richard sitting right in front of me  
 947 when I was talking with him, and I said, "Look, you might  
 948 be a fact witness in this whole shouting match about your  
 949 weekend investigation, so it may not be advisable for you to  
 ✓ 950 go meeting with counsel, and--" this incidentally had been  
 951 discussed at the 2:30 meeting with the FBI, the advisability  
 952 of having Tom Green bring in Secord for a proffer.

953 . Bill Hendricks had argued against it. Reynolds had  
 954 argued--Brad Reynolds had argued in favor of it, but anyway,  
 955 now this meeting was going ahead on the first, and I urged  
 956 Brad not to--not to have the meeting with Green.

✓ 957 . He didn't buy <sup>my</sup> scenario about fact witness. He  
 958 said, "Well, isn't every FBI agent who conducts an  
 959 interview a fact witness, and why isn't he debarred from  
 960 conducting any further fact interviews?"

961 . I said, "Well, you know, we don't agree, but I  
 962 think if you are going to have the meeting in a minute, you  
 963 should have Bill Hendricks there. Hendricks is a career guy  
 964 from the Public Integrity Section, now Chief of the Fraud  
 965 Section, and Brad said, "I have no problem with that."

966 . Q Um-hum. What was your understanding of the purpose  
 967 of the meeting was to be?

✓ 968 . A A mini-proffer by Green as to what his client might  
 969 have to say.

970 . Q Okay. And at that point, was it clear he

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971 | represented just Secord alone, or were you under the  
 972 | impression he represented more than one of the participants?  
 973 | . A I am not sure when it changed from all three to just  
 974 | Secord in my understanding.  
 975 | . Q Thank you.  
 976 | . Well, by the time you spoke to Mr. Reynolds on the  
 977 | 1st of December, did you have an understanding who Green  
 978 | represented?  
 979 | . A Quite sure on the 26th Brad said he represented more  
 980 | than one, but it looked as though he was going to have to  
 981 | get out for one or the other. Now, the 1st of December  
 982 | would have been my next business day in the office, so I  
 983 | don't know if I learned that in the interim.  
 984 | . Just in the interests of completeness, after I hung  
 985 | up from talking with Mr. Reynolds, I called Mr. Trott, who  
 986 | was somewhere out of the office. <sup>STET</sup> [redacted] said, "Look, I have  
 987 | had this conversation with Brad. Do you think I should go,  
 988 | over the cliff on it, you know, raise it up to the AG, <sup>exist,</sup> ~~pull~~  
 989 | ~~it all over the floor,~~ because the way I left it, it is  
 990 | going to go ahead, but with Hendricks present."  
 991 | . And Steve said, "Yeah, that is probably  
 992 | survivable."  
 993 | . Q Did Mr. Reynolds give any affirmative reasons for  
 994 | wanting to be part of this meeting?  
 995 | . A Well, he had argued in the November 25 afternoon

He go →  
 ? Jk  
 ? STET

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996 meeting that sometimes you can get more at the beginning  
997 then you can after a position freeze, which is true, and Mr.  
998 Hendricks had argued that you don't want to have somebody,  
999 come in before you can intelligently cross-examine them and  
1000 tell you their stories, because then later, you get so you  
1001 know your case, and you want to ask them questions, and they  
1002 tell you, "Look, I already told you my whole story", and  
1003 that is also true.

1004 . Q But what reasons did Mr. Reynolds give for himself  
1005 wanting to participate in the meeting?

1006 . A The impression I got was that he thought he could  
1007 advance the ball. I pressed him pretty hard, and his  
1008 response was the one I just related about the FBI agents and  
1009 the fact--

1010 . Q Did he mention at any time that he had a long-  
1011 standing relationship with Mr. Green?

1012 . A No, I don't think I knew that.

1013 . Q Okay.

1014 . For the record, you are the person that drafted the  
1015 application for Independent Counsel; is that correct?

1016 . A Yes.

1017 . Q Okay. Colonel North, in his testimony, which you  
1018 may have missed--

1019 . A I missed it.

1020 . Q You were lucky, but made much ado about the fact

:



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1021 | that he was the only person mentioned in the application for  
1022 | Independent Counsel, a fact which apparently rankled him a  
1023 | bit. Do you recall any conscious decision to only put his  
1024 | name in the application?

1025 | . A Well, I guess the reason I started with him was a  
1026 | feeling that if there was anybody who knew what was going on  
1027 | here, it was he.

1028 | . Now, the next question is, why not throw in  
1029 | Poindexter and a bunch of other people? The answer to that  
1030 | is, we were a little short on facts at the time this was  
1031 | being drafted, which was on the night of December 1.

1032 | . Q So, you didn't know exactly what Admiral Poindexter  
1033 | had done, in other words?

1034 | . A That is correct.

1035 | . Q Okay. Did you have anybody else in the government  
1036 | in mind?

1037 | . A Well, no. I mean, my thought was, let's draft it  
1038 | broadly and let the facts take us where they will.

1039 | . Q I guess, then, my question is, then why did you add  
1040 | Colonel North at all?

1041 | . A I guess to give context. I have been involved in a  
1042 | couple of these things before and none of them with no  
1043 | names.

1044 | . Q Was there any discussion in any of the drafts that  
1045 | were circulated to add more names or to delete his name?

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1046 . A I don't recall either of those changes being raised.  
1047 There were a lot of--there was a lot of discussion about  
1048 adding more violations or subtracting violations.  
1049 . Q Would it be normal procedure in drafting such an  
1050 application to add people who aren't in the government as  
1051 possible co-conspirators?  
1052 . A It has happened in a number of cases.  
1053 . Q Okay.  
1054 . Did you give any thought then to adding Mr. Second  
1055 or Mr. Hakim or--  
1056 . A Oh, no. This is December 1. I don't think I was  
1057 that ~~far~~<sup>far</sup> along in terms of knowledge.  
1058 . Q By the way, did you ever receive Mr. Cooper's notes  
1059 that he had taken at the interviews over the weekend  
1060 inquiry?  
1061 . A No. I have never seen them.  
1062 . Q Did you ever ask for them?  
1063 . A I don't believe so.  
1064 . Q Did you ever see Mr. Richardson's notes of the North  
1065 interview?  
1066 . A I have never seen them.  
1067 . Q So, you never actually received any notes from  
1068 anyone taken that weekend; is that correct?  
1069 . A That is right.  
1070 . Q Okay.

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1071 . A I became aware that they had given their notes to  
1072 the FBI.

1073 . Q Okay. Were you aware that the FBI had or was going  
1074 to interview Admiral Poindexter?

1075 . A Yes.

1076 . Q Okay. Did they relate to you the outcome of that  
1077 interview?

1078 . A No.

1079 . Q Was there some discussion or concern about Fawn Hall  
1080 and whether she had retained an attorney or had been  
1081 contacted by the FBI?

1082 . A There was some discussion about her having retained  
1083 Plato Cacheris, who was looking for immunity, and I recall  
1084 Jeff Jamar and myself both being frustrated by our inability  
✓ 1085 during the preliminary investigation phase of ~~an~~ an Independent  
1086 Counsel case either to grant immunity or to issue subpoenas,  
1087 because as I looked at it, she would have been a red hot  
1088 candidate for immunity on day one in a garden variety  
1089 criminal investigation, but we were hamstrung.

1090 . Q Did anyone else step forward other than her attorney  
1091 and Mr. Green?

✓ 1092 . A Yeah, there was a guy named Sherwyn Markman or  
1093 Markham, who called me from Switzerland, who wanted to come  
1094 in and speak on behalf of Willard Zucker and somebody else.  
1095 I think they might have been American lawyers in

1096 | Switzerland.

1097 | . Q Do you remember who they were?

1098 | . A He is from Hogan and Hartson.

1099 | . Q Yes, but who the others were in Switzerland?

1100 | . A No, I don't, but I should have notes of that. There

1101 | was Willard Zucker and some company which later made the

1102 | news--some Societe <sup>Anonyme</sup> ~~Anonymous~~.

1103 | . Q Was it CFF for short?

1104 | . A I think so.

1105 | . Q Where did Mr. Markman work?

1106 | . A This is on December 9. Well, by that time, we had

1107 | filed our application for Independent Counsel. I think that

1108 | was filed on the 4th. So, he came in with John Ke<sup>e</sup>aney, Jr.,

1109 | Jack's son--Jack recused himself, obviously--representing

1110 | these witnesses from Switzerland, and the phone message I

1111 | had, or maybe it was the message given to me through my

1112 | assistant, Mark Robinson, was that these people wanted to

1113 | shed light on a whole extraordinary web or tangle of events

1114 | in Switzerland, designed to make it sound as appetizing as

1115 | possible.

1116 | . Shortly before the meeting, I concluded that I

1117 | should not meet with them, because--suppose they mentioned

1118 | the word "immunity." Then they might later feel that they

1119 | had negotiated immunity with the Criminal Division while the

1120 | application for an Independent Counsel was pending.

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1121 . So, I opted out of the meeting and sat them down--I  
 1122 believe with the FBI alone.

1123 . Q And would these have been the FBI agents who were,  
 1124 then assigned to the Independent Counsel staff?

1125 . A Yeah, the Chinese Wall at the Bureau had already had  
 1126 already been established, and the briefing that the Bureau  
 1127 gave--gave us on--I guess it was December 1st, Neil Dovers was  
 1128 the--yeah, <sup>at</sup> ~~had~~ a 4:05 meeting on December 1st, and this was a  
 1129 much-postponed briefing by the FBI.

1130 . And it was clear to me that they were holding the  
 1131 cards close to the ~~investigation~~ <sup>vest</sup> and just telling us the  
 1132 categories and subject matter headings of their  
 1133 investigation without any of the meat, which I must say I  
 1134 found appropriate,  
 1135 . That ~~did~~ <sup>didn't</sup> bother me, because we all knew an  
 1136 Independent Counsel was coming down the road within a matter  
 1137 of days.

1138 . Q So, you never heard of the outcome of their meeting  
 1139 with Jack Ke<sup>e</sup>ney, Jr., or Mr. Markman?

1140 . A Correct.

1141 . Q Were you aware of any efforts on the part of Brendan  
 1142 Sullivan to contact either the Attorney General or the  
 1143 President on behalf of Colonel North?

1144 . A No, I don't think so.

1145 . Q Okay.

ok  
shy

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1146 . Was there any discussion--obviously after November  
 1147 25--of giving Colonel North immunity--or discussing the  
 1148 possibility of a pardon when it was all said and done?  
 1149 . A . There was some discussion of immunity on or around  
 1150 December 16. The topic came up in the form of a question as  
 1151 to what we would do if the House and/or Senate committees  
 1152 did vote immunity for Colonel North or Admiral Poindexter  
 1153 pursuant to 18 USC 6005 or whatever the statute is.  
 1154 . Q Okay. And who was that discussion with?  
 1155 . A Well, I thought it was a non-starter as an idea. I  
 1156 was violently opposed, but in a conversation with Mr. Trott,  
 1157 I learned that consideration was being given to going--into  
 1158 having the Department of Justice go along with immunity for  
 1159 those two individuals, on the theory that this isn't "a  
 1160 real" immunity. It is only "limited" immunity. !  
 1161 . I button-holed the Attorney General at his Christmas  
 1162 party and this conversation occurred whatever date that  
 1163 was--I think it was the 16th, and said, "Look, on this  
 1164 question of immunity for North and Poindexter, be advised  
 1165 that the government's burden after immunity is granted to  
 1166 show an absence of taint is a very heavy one. >  
 1167 . The Kastigar, K-a-s-t-i-g-a-r, taint problem is a  
 1168 very severe one, and if immunity is granted at this stage,  
 1169 it might very well render impossible any prosecution of  
 1170 Colonel North or Admiral Poindexter, and I don't think it is

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1171 | a good idea.

1172 | . Q And what did the Attorney General say?

1173 | . A It was inconclusive. I mean, this is in a room with

1174 | 200 people and it was, you know, a real not-to-do-anything-

1175 | precipitous and we-will-take-everything-into-consideration.

1176 | The request I made of him was that I would like to be heard

1177 | before this is done, and he said that I can be ~~heard~~ <sup>heard.</sup>

1178 | . Q Okay.

1179 | . A And he didn't seem, you know, overwhelmingly

1180 | committed to the idea, either. It was just something that

1181 | had come up on the plate.

1182 | . Q Well, at that time, there were public reports that

1183 | the White House was trying to push Congress in that

1184 | direction.

1185 | . A I think that is right. ?

1186 | . Q Okay.

1187 | . So, this was a discussion of whether or not the

1188 | Department of Justice was going to approve that or go along

1189 | with that or support that--

1190 | . A Right.

1191 | . Q --push.

1192 | . A Which was not an idle question, since we have an

1193 | opportunity to oppose it under the statute.

1194 | . Q Okay.

1195 | . A And this was before Judge Walsh had been appointed.

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1196 | so I think I also argued to the AG it would be doubly  
1197 | inappropriate for us to exercise an authority which would  
✓ 1198 | belong at least in part <sup>to</sup> ~~at~~ the Independent Counsel within a  
1199 | matter of days.

1200 | . Q Did anybody at the Department of Justice, including  
1201 | the Attorney General, express the opposite view, that it  
1202 | would be good for them to receive immunity?

1203 | . A Well, I am just trying to remember whether--I  
1204 | remember the Attorney General at some point making a public  
1205 | statement along the lines that this immunity is limited and  
1206 | not total, but I can't remember when that was, whether it  
1207 | was after this happened or whether it was back in--back in  
1208 | December.

1209 | . Let me just think whether anyone in the--I think it  
1210 | is possible that one or two of the many people I discussed  
1211 | this with may have said that in their view, it was more  
1212 | important to get the story out for the good of the country  
1213 | than it was to preserve the option of prosecuting North and  
1214 | Poindexter.

1215 | . Q Do you recall who that may have been?

✓ 1216 | . A Possibly Jack Ke<sup>e</sup>ne<sup>y</sup>, although I am not sure. I  
1217 | was--you know, stalking around waving my arms, and he may  
1218 | have been trying to slow me down.

1219 | . Q Are there any other things that you think we should  
1220 | cover that the committee should know?



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1221 . A There was a part B to your question which was, did I  
1222 ever hear any discussion of a pardon for North?

1223 . Q Oh, yes.

1224 . A I heard the word once. A fellow from the Vice  
1225 President's office, C. B. Gray, who is a social friend of  
1226 mine, called me up on two matters. One, a--I think Criminal  
1227 Division Christmas party that I had invited him to, but two,  
1228 he had some question relating to Fifth Amendment and waiver  
1229 involving Colonel North, and I remember saying to him,  
1230 "Look, I am not advising anybody about anything. We are in  
1231 total conflict position here, but you know you people should  
1232 be very careful how you talk to Mr. North or his lawyer,"  
1233 and I remember C. B. saying, yeah, that people will come  
1234 back and say it was all a big deal for a pardon.

1235 . Having worked though the Watergate years, the word  
1236 leapt out at me.

1237 . Q Are there any other things that you think we should  
1238 cover in this that I didn't ask? We obviously skipped over  
1239 a lot of meetings and things that you participated in, but I  
1240 sort of just wanted to hit the main points.

1241 . Please feel free at this point to put anything on  
1242 the record that you think the committee should be aware of.

1243 . A No.

1244 . Q Okay.

1245 EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

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1246 . BY MR. MCGOUGH:

1247 . Q Okay, Mr. Weld, at one point you referred to  
1248 discussions at a staff meeting regarding who is going to  
1249 speak to the press about Iranian matters, and this was in  
1250 the context of the Evans case.

1251 . Do you recall approximately when that took place?

1252 . A Yeah, I think it would have been between the 10th  
1253 and the 17th, probably closer to the 10th of November. It  
1254 was the first time Iran had bubbled up to my consciousness<sup>ess</sup> and

1255 the question was, well, what should the United States  
1256 Attorney say when the press begins to ask them, you know,

1257 "Are your cases going to survive or are they all going to  
1258 fall because of what the Administration has been doing?"

1259 . Q You mentioned that on Friday--get my dates confused  
1260 sometimes--but Friday, November 21, which would have been a  
1261 Friday, you asked a member of the Public Integrity Section,

1262 Gerry McDowell, to look into possible criminal violations,  
1263 and that was, I believe, the same morning that you  
1264 indicated, too, at the staff meeting, that you thought the  
1265 Criminal Division ought to be involved in the investigation.

1266 . A Well, that I thought that the Criminal Division  
1267 ought to be involved in getting the answers for the motion  
1268 in New York.

1269 . Q Right, and I guess that really brings up my  
1270 question, which is at the time of the staff meeting and the

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1271 | time of your staff meeting, did you have any inkling or any  
1272 | belief, any--well, any belief or inkling there might be  
1273 | criminal activity involved, not on the Evans side of the  
1274 | matter, but on the Iranian initiative side of the case?

1275 | . A Well, I think the reason I put the question to  
1276 | McDowell must have been with a view to our responsibilities  
1277 | under the Independent Counsel statute. I don't like to sit  
1278 | around waiting for a referral. If there are matters  
1279 | publicly reported that might possibly support or might  
1280 | possibly constitute "sufficient grounds to investigate a  
1281 | person covered by the Independent Counsel Act has committed  
1282 | a Federal offense," so I wanted Jerry just to take a quick  
1283 | look to see whether there was some obvious criminal  
1284 | possibility in the Iranian initiative as reported, because  
1285 | if so, I wanted to know it.

1286 | . Q What, if anything, about the Iranian initiative  
1287 | suggested to you there might be criminal activity? Let's  
1288 | take events out of it for a second. I view the Evans  
1289 | situation as being different from the Iranian initiative  
1290 | itself, and it seems to me what was it about the Iranian  
1291 | initiative that--

1292 | . A I am having trouble reconstructing how much was in  
1293 | the press by November 21, but if the press accounts had  
1294 | reported that this was being done on an unofficial basis or  
✓ 1295 | with private sorts, and there were, you know, phony

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1296 manifests on shipments, that would be a 1001 or possibly an  
1297 export violation.

1298 . Again, that is speculative since I can't remember  
1299 what was in the press, but that is one possibility.

1300 . Q But at least when you spoke to Mr. McDowell, there  
1301 was some thought you might have that there might be some  
1302 criminal activity on that side of the equation.

1303 . A There must have been, or I wouldn't have put the  
1304 question. I recall a feeling of lack of knowledge on my  
1305 part that week, which I think is what led to the slightly  
1306 frustrated tone with which I said at the morning meeting,  
1307 you know, I don't think even this investigative fact finding  
1308 work on the Evans case should be done without Criminal and  
✓ 1309 FBI, so I wanted <sup>G</sup>erry to, you know, give me some comfort  
1310 there.

1311 . Q At the staff meeting that morning, given that you  
1312 had this staff meeting the next morning, did you express the  
1313 Criminal Division's interest in those terms? I mean, let me  
1314 back up for a minute. I believe you said at the staff  
1315 meeting, you said, "We have got this Evans case, and we  
1316 have got somebody investigating this Iran initiative and the  
1317 same person ought to be doing both, so they can make the  
1318 affidavits and the proper representation in the Evans  
1319 case."

1320 . Did you, in addition to that, say, "and there may

;

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1321 | be some criminal activity on the Iran initiative side'?'

1322 | . A I don't think I did. I wouldn't even fix the date

1323 | of my request to McDowell as having been Friday the 21st, ,

1324 | except that he and I later had some by-play about whether

1325 | the request had come over on a Friday or a Monday.

1326 | . Turned out to be a Friday. And it could conceivably

1327 | be Friday the 14th. But in other words, I have no memory of

1328 | asking Mr. McDowell on any particular day. But I did ask

1329 | him for quick and dirty, and the fact that <sup>Jo Ann</sup>~~Joanna~~ Faffington

1330 | got to it on Saturday the 22nd suggests to me that it was

1331 | probably Friday the 21st.

1332 | . Q All right. And Miss Faffington's memorandum was

1333 | dated the 22nd, as you recall?

1334 | . A In hand.

1335 | . Q In hand on the 22nd.

1336 | . A There is a handwritten date of the 22nd on it.

1337 | . Q Okay.

1338 | . Did the Attorney General ever ask you at any time

1339 | prior to November 26 to brainstorm the Iranian situation and

1340 | see if there are any criminal violations in it?

1341 | . A No.

1342 | . Q So that Miss Faffington's memorandum was done

1343 | independent of any requests--

1344 | . A That was me on my own hook. There was one other

1345 | thing that the Attorney General did ask me to do, which was

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1346 | to get further information about the Evans case. I think I  
1347 | should put this on the record, in fairness to the Attorney  
1348 | General, who the defendants were, bring over a copy of the  
1349 | indictment, and I did.

1350 | . I had Joe Tafe from Internal Security bring that  
1351 | over, and I gave it to John Richardson sometime shortly  
1352 | before November 17, so if I left the impression earlier that  
1353 | the Attorney General was purporting to opine on the Evans  
1354 | case without knowing anything more than the name of the  
1355 | case, that is not quite accurate. He did have the papers.

1356 | . Q You indicated that after the press conference on the  
1357 | 25th, you met with--first with Mark Richard and then with Mr.  
1358 | Cooper, and Mr. Cooper gave you some chronology and a  
1359 | briefing on some of the facts.

1360 | . Did Mr. Cooper mention to you that he had also been  
1361 | looking into possible criminal violations?

1362 | . A No, I don't think so.

1363 | . Q So that any discussion of--well, strike that.

1364 | . Did you ever discuss with the Attorney General what  
1365 | Mr. Cooper's roles could be on the investigative team? You  
1366 | indicated at the meeting on the 26th, he said Mr. Cooper  
1367 | will be a member of the prosecution team, but didn't say why  
1368 | at that time.

1369 | . Did you every discuss with him Mr. Cooper's role on  
1370 | that team?

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1371 . A No. I don't think so. I am just trying to think  
1372 whether I questioned that at the meeting or not. I have a  
1373 dim memory of a little bit of back and forth, but then the  
1374 conclusion being, okay, let's do it this way.

1375 . Q And shortly thereafter it was that the FBI expressed  
1376 some reservation to you about his participation?

1377 . A More by deed than word, but it washed out because it  
1378 wound up that the entire prosecutive team was not getting  
✓ 1379 information out of the FBI, ~~and~~ Bill Hendricks called over  
1380 for reports on this and that. They weren't coming over, and  
1381 it's not that the FBI doesn't trust Bill Hendricks, just  
1382 that they knew they were going to have a new prosecutor in a  
1383 few days, and as I said earlier, I think they behaved  
1384 appropriately.

1385 . Q I guess really following up on that, or maybe you  
1386 answered it implicitly, were there ever any steps taken to  
1387 remove Mr. Cooper from the prosecution team, or did the  
1388 issue simply moot itself?

1389 . A I think it just dropped out. There may have been  
1390 meetings held, you know, between Carver and Hendricks on the  
1391 one hand, and brick agents as opposed to supervisory agents  
1392 on the--

1393 . Q But not at your level.

1394 . A You mean with me, but not Cooper--no.

1395 . Q Did you at some point become familiar with a case

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arising in the Southern District of Florida under Leon Kellnor, K-e-l-l-n-o-r, and relating to an investigation into alleged violations of the Neutrality Act, and in particular if it had come to your attention, it might have come to your attention through press accounts indicating that the investigation had been postponed or stalled by the

1 Attorney General--

2 A This was the one where Lowell Jensen and the  
3 Attorney General were supposed to have called Kellnor<sup>e</sup> up?

4 Q That is right.

1406 A Yeah, I read about that in the press, and I ~~was~~ <sup>fielded</sup>  
1407 ~~that~~ one phone call from Kellnor<sup>e</sup> on the topic--as best I can

1408 remember, he was violently denying that this had occurred.  
1409 He said he felt muddled by these press accounts and that his

1410 personal integrity was on the line, and he was demanding  
1411 that the Department, in its next public pronouncement on  
1412 some topic--I can't remember what <sup>a</sup> issue ~~was~~ <sup>a</sup> statement, to the

effect that these conversations never occurred.  
1413 Q Which conversation?

1414 A The alleged conversations between Jensen and the AG  
1415 and Kellnor<sup>e</sup>.

1416 Q What did you do about that request?

1417 A Well, I think possibly it was in the context of a  
1418 letter to Judge Walsh, the Independent Counsel. This might  
1419 have put it into January, and the question was whether this  
1420



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1421 | statement regarding, you know--the statement regarding those  
1422 | conversations would be somehow included in this letter to  
1423 | Judge Walsh, and I recall telling Leon Kelln<sup>e</sup>r that I  
✓ 1424 | thought the letter had to go, and we couldn't, you know,  
1425 | comment on a fragment of the evidence <sup>or</sup> ~~of~~ comment on  
1426 | something that wasn't even a fragment of the evidence. We  
1427 | had to just send the letter.

1428 | . Q And did you ultimately send the letter?

1429 | . A Yeah, it was for Trott's signature, as all the  
1430 | letters to Judge Walsh were. But I think it went--it was  
1431 | about the Posey case, and I not sure of--and I think--

1432 | . Q The case we are referring to has gone under a lot of  
1433 | names, but Posey may have been one of the people involved.

1434 | . Did you ever conduct within your own Division or  
1435 | elsewhere any independent investigation or investigations to  
1436 | determine exactly what happened in that case?

✓ 1437 | . A You know, I--I believe that Jack Ke<sup>e</sup>aney has had  
1438 | telephone conversations, maybe even taken actions with  
1439 | respect to that. The lion's share of the dealings with Leon  
✓ 1440 | on this matter have been conducted by Jack Ke<sup>e</sup>aney. There  
1441 | was at one point something that happened involving a  
1442 | subpoena by the Customs Service.

1443 | . I would place this probably in December of '86,  
1444 | where Leon had a subpoena out, but it was so broad that it  
1445 | swept into Judge Walsh's territory and Jack told him,

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1446 "Look, you ought to trim this so you don't step on the  
 ✓ 1447 Independent Counsel's <sup>toes</sup> ~~toes~~, " and somehow that got back to  
 1448 Leon as "You have to close down the entire case," or  
 1449 something like that.

1450 . It was a misunderstanding, later cleared up, so that  
 1451 was action taken by the Criminal Division that would have  
 1452 had some impact in Florida.

1453 . Q When you read these newspaper articles and fielded  
 ✓ 1454 this call from Mr. Kelln<sup>e</sup>r, did you at that point attempt to  
 1455 get up to speed on what had happened? Did you talk to Mark  
 1456 Richard, for example, about the case?

✓ 1457 . A I think Ke<sup>e</sup>ney, for some reason, was my designee on  
 ✓ 1458 this one. He dealt with Leon on the <sup>?</sup> ~~line~~ between Southern  
 1459 District of Florida and the Independent Counsel. There were  
 1460 two cases in the Southern District of Florida which <sup>I</sup> was  
 1461 quite anxious for the Independent Counsel to take over, but  
 ✓ 1462 I couldn't blow them past <sup>Danny Coulson,</sup> ~~David Coulson~~ who is the FBI  
 1463 Agent working for Judge Walsh.

1464 . And one of them, I think the Independent Counsel may  
 1465 have changed his mind on, but I can't recall. Anyhow, that  
 1466 is the context in which Kelln<sup>e</sup>r rose--in which these cases  
 1467 rose to my attention. Whether or not they were going to  
 1468 Independent Counsel--

1469 . Q Did you ever speak to Mark Richard about the  
 1470 allegations?

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1471 . A Well, if they involve gun-running, I probably did,  
1472 yeah. I mean, there is the Posey case, something called  
1473 Corbo, a case called Garcia. There is the case about the  
1474 guy who testified yesterday, Morales, and I have heard all  
1475 those names.

1476 . I would think I probably did talk to Richard about  
1477 it. At another time, I either asked or had Vicky ~~Tungsten~~<sup>Toensing</sup>  
1478 ask Leon for a synopsis of all the allegations people have  
1479 made about gun running or improper conduct by people  
1480 involved in his cases down there, and he sent something up,  
1481 so that is something else that the Criminal Division did.

1482 . Q All right. I guess when you say you spoke to Mr.  
1483 Richard about the allegations and mentioned allegations by  
1484 Corbo and Garcia--

1485 . A I can't remember who Corbo is.

1486 . Q I understand. What I really meant was, did you  
1487 speak to Mr. Richard about the allegations that the case had  
1488 been slowed or stalled by anyone in DOJ?

1489 . A I think I would have been more likely to have spoken  
1490 to Mr. <sup>e</sup>Keane about that, because that would be a Public  
1491 Integrity matter.

1492 . Q So, the answer is no, you don't recall talking to  
1493 Mr. Richardson. All I can do is ask you if you recall  
1494 speaking to Mark Richard about those allegations.

1495 . A If it is a gun-running case--I rely on my senior

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✓ 1496 deputies all the time, ~~for~~ <sup>e</sup>Keaney and Richard.

1497 . Q I want my question to be clear so the record makes  
1498 some sense. All I am really asking is, do you recall ever,  
1499 speaking to Mr. Richard about the allegations that someone  
1500 in the Department of Justice had stalled or slowed down  
1501 Kelln<sup>e</sup>er's investigation in that case?

✓ 1502 . A I think I must have discussed it with one of my  
1503 deputies, because I wouldn't have let it sit there. I don't  
1504 recall discussing it with any of them in particular. I  
1505 recall receiving the impression that the thing had been  
1506 looked into and laid to rest, that there were three AUSAs  
1507 who had sworn mighty oaths that it never happened, words to  
1508 that effect.

✓ 1509 . Q Do you recall any discussion with Mr. Richard about  
1510 his own conversations with Mr. Kelln<sup>e</sup>er on the case? That  
1511 is, Did Mr. Richard ever say, "Yes, I have spoken to Leon  
1512 about this matter on a number of occasions"?

✓ 1513 . A I am just drawing a <sup>blank</sup>~~blank~~ on Richard about this  
1514 case, but if it is gun running, it may well be.

1515 . Q Do you recall discussing this case, in particular  
1516 the allegations that the case was slowed or postponed, with  
1517 Mr. Trott or the Attorney General?

1518 . A No, I am quite sure I didn't discuss it with Trott,  
1519 and I am certain I never discussed it with Mr. Meese.

1520 . Q And just to complete the set, have you ever

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1521 discussed this case with Lowell Jensen?

1522 . A No.

1523 . Q Does the Criminal Division have any policy or  
1524 standards for briefing or--describing the types of cases in  
1525 which the NSC would be briefed on an investigation?

1526 . A I would just be guided by what Mark Richard told me  
1527 on that.

1528 . Q You are not familiar with any criteria?

1529 . A You mean written down?

1530 . Q Either written or precedential.

1531 . A Well, I am developing some knowledge about that, but  
1532 at this point, I would be very much guided by Mr. Richard  
1533 and John Martin from the Internal Security Section.

1534 . Q In your tenure as Assistant Attorney General, have  
1535 you ever come across a case in which a briefing has been  
1536 given to the NSC, special briefing to the NSC?

1537 . A Yes.

1538 . Q Without--I don't want to obviously penetrate--I don't  
1539 want to penetrate any departments I am not entitled to--

1540 . A Don't worry. If I told you I would blow up.

1541 . Q Can you give me any indication what triggered the  
1542 briefing to the NSC, what it was about the case or cases  
1543 that caused the Department to brief the NSC?

1544 . A Extremely sensitive foreign policy. Relations with  
1545 other countries.

1546 . Q I think that is all I have.

1547 . A You know, I am--I sense that I am forgetting

1548 something that may have happened. Let me tell you one other

1549 thing I remember about Mark Richard which may relate to this

✓ 1550 case of Kelln<sup>e</sup>r's that I draw a blank on all the time.

1551 . There was an MSC meeting that Mark once mentioned to

1552 me that he had attended which might have been on this case.

1553 I don't know. And Colonel North was there. And Mark

1554 mentioned to me that he had forgotten that he attended it

1555 until much later, but maybe that has something to do with

✓ 1556 this case of Kelln<sup>e</sup>r's.

1557 . MR. MCGOUGH: Okay, that's all I have.

1558 . MR. BUCK: I don't have any questions.

1559 . MS. NAUGHTON: I have one more.

1560 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

1561 . BY MS. NAUGHTON:

1562 . Q Getting back now to the 24th of November, on that

1563 Monday when you received the phone call from the Attorney

1564 General, did you at some point later tell Steve Trott about

1565 it? In other words, did you discuss with him or the AG

1566 calmly on holding off on the Iran arms investigation?

1567 . A Well, let's see. Trott had been present on the

1568 21st, so he knew my view.

1569 . Q How--can you tell me something about his

1570 participation in that meeting that makes you sure that he

NAME: MIR197002

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1571 | was there?

1572 | . A I recall him looking at me with surprise the way he  
1573 | does when--this is my inference--when he thinks maybe I have  
1574 | stepped out a little bit.

1575 | . No, I do not recall telling Trott the AG called me  
1576 | and said, it is no accident that Criminal is out of this.  
1577 | The whole thing would have been overtaken by events the next  
1578 | day, because by the afternoon of the 25th, Criminal was in.

1579 | . Q But you say your deputies were present during the  
1580 | phone call; correct?

1581 | . A Yes.

1582 | . Q Did you relate what the Attorney General had told  
1583 | you to them?

1584 | . A Yes.

1585 | . Q Was there any discussion of that?

1586 | . A Yeah, Mark Richard thought it was crazy. But he and

✓ 1587 | I ~~have~~<sup>had</sup> been telling each other for a week that it didn't  
1588 | make sense to have the AG doing the investigation. Both  
1589 | these calls that happened during deputies' meetings there  
1590 | was some discussion of--

✓ 1591 | . Q Okay. Was Mr. Ke<sup>e</sup>ney there?

1592 | . A Yes, I think so.

1593 | . Q Did he have any comment about it?

1594 | . A I would think that it would have been negative. It  
1595 | might have been just a, you know, facial expression.

HIR197002

MS. NAUGHTON: I think that is it.

BY MS. NAUGHTON:

Q Oh. The situation when you described giving a briefing to the MSC, did that briefing involve Oliver North or Admiral Poindexter?

A No.

Q Did the subject matter involve either Iran or Nicaragua?

A No. I am not even sure that that briefing has occurred as we sit here, but the question has come up at high levels.

MS. NAUGHTON: All right. Thank you.

[Whereupon, at 4:00 p.m., the taking of the deposition was concluded.]



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DEPOSITION OF JOHN A. WICKHAM, JR.

Friday, August 14, 1987

United States Senate  
Select Committee on Secret  
Military Assistance to Iran  
and the Nicaraguan Opposition  
Washington, D. C.

Deposition of JOHN A. WICKHAM, JR., called as  
a witness by counsel for the Select Committee, at the  
offices of the Select Committee, Room SH-901, Hart Senate  
Office Building, Washington, D. C., commencing at 10:05  
a.m., the witness having been duly sworn by MICHAL ANN  
SCHAFER, a Notary Public in and for the District of  
Columbia, and the testimony being taken down by Stenomask  
by MICHAL ANN SCHAFER and transcribed under her  
direction.

4391

Partially Declassified/Released on 1-25-88  
under provisions of E.O. 12356  
by N. Menan, National Security Council

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## 1 APPEARANCES:

2 On behalf of the Senate Select Committee on Secret  
3 Military Assistance to Iran and the Nicaraguan  
4 Opposition:

5 JOHN SAXON, ESQ.

6 On behalf of the House Select Committee to  
7 Investigate Covert Arms Transactions with Iran:

8 ROBERT GENZMAN, ESQ.

9 ROGER KREUZER

10 On behalf of the Department of the Army:

11 COLONEL JOHN WALLACE

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3

1	C O N T E N T S		
2		EXAMINATION ON BEHALF OF	
3	WITNESS	SENATE	HOUSE
4	John A. Wickham, Jr.		
5	By Mr. Saxon	4	
6	E X H I B I T S		
7	WICKHAM EXHIBIT NUMBER		FOR IDENTIFICATION
8	1		10
9	2		22
10	3		24
11	4		24
12	5		25
13	6		26
14	7		27
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18	11		56

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4

1 PROCEEDINGS

2 Whereupon,

3 JOHN A. WICKHAM, JR.,

4 called as a witness by counsel on behalf of the Senate  
5 Select Committee and having been duly sworn by the Notary  
6 Public, was examined and testified as follows:

7 EXAMINATION

8 BY MR. SAXON:

9 Q Would you state your name for the record,  
10 please, sir?

11 A My name is John Adams Wickham, Jr.

12 Q And what is your current position, General  
13 Wickham?

14 A I am U.S. Army, Retired.

15 Q And you were Chief of Staff of the Army from 1  
16 July 83 until very recently; is that correct, sir?

17 A 1 July 1983 to the end of June this past June.

18 Q And prior to that you were Vice Chief of Staff  
19 of the Army for one year?

20 A For one year.

21 Q Before that you commanded U.S. forces in Korea  
22 in the Eighth Army?

23 A For three years.

24 Q And in previous assignments you have been at  
25 various times Director of the Joint Staff of the Office

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1 of the Joint Chiefs of Staff?

2 A That's correct.

3 Q And Military Assistant to the Secretary of  
4 Defense?

5 A For three years, right.

6 Q And you are a combat-decorated veteran of the  
7 Vietnam war?

8 A Yes.

9 Q General, as you know, we are here today to  
10 cover a number of items under investigation by our two  
11 Committees dealing with the Iran-Contra affair, and I am  
12 going to segment things into the Iran arms sale first and  
13 then, toward the end, cover a few of the contra-related  
14 matters.

15 I think what might be most helpful is if you  
16 would start on the Iran side of the equation with the  
17 shipment of TOW missiles, which as we know came from Army  
18 stocks, and walk us through that chronologically from  
19 when you first became aware and how you became aware and  
20 what happened next and what happened next and so forth.

21 A I had returned from a trip in January, I guess  
22 it was '85.

23 Q '86?

24 A January '86, on a Saturday and the Vice Chief  
25 of Staff came over to the quarters in the afternoon.

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1 Q That would be General Maxwell Thurman?

2 A General Thurman. He was off on a trip shortly  
3 after we met, to bring me up to date on things that had  
4 transpired in my absence, and one of them concerned a  
5 request by Colin Powell, a warning order, to be prepared  
6 to turn over to the Agency a number of TOW missiles,  
7 plain type missiles.

8 Q And that's then Major General Colin Powell?

9 A Who was Military Assistant to the Secretary of  
10 Defense. And no destination, just turn them over. It's  
11 not an unusual thing when we receive a request like this  
12 as a result of a Presidential Finding, although we didn't  
13 talk about a Finding, to make available assets to the  
14 Agency and not know the destination.

15 I believe then Monday -- it may have been  
16 Tuesday -- that following week --

17 Q At this time that would be about January 21?

18 A Thereabouts -- the 20th or 21st -- the  
19 Secretary had been on a trip and when he came back I  
20 apprised him of this matter. He and I always have been  
21 very close and everything very open, a lot of sharing of  
22 knowledge here, particularly in areas of the intelligence  
23 business.

24 Q Are you referring to Secretary Marsh?

25 A Secretary Marsh, right. And that was in the

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1 morning of the 21st, I believe. It could have been the  
2 20th. But, in any event, as soon as he came back, and  
3 about 1800 that same day I received a secure phone call  
4 from Major General Colin Powell and the purpose of that  
5 phone call, it was in my telephone log -- execute.

6 I'm not sure of the exact number of missiles  
7 to be delivered. It may have been part of 1,000, the  
8 first tranche of that. I don't know the number. I can't  
9 recollect the number. And I went in and told the  
10 Secretary, called in General Russo, who was involved in  
11 the process there, and gave him the execute instructions.

12 Q General Russo was the Assistant --

13 A He was the Assistant Deputy Chief of Staff for  
14 Logistics, a Major General, and he was one of the  
15 principal officials involved. He had some Indians that  
16 were working for him that took care of the details. So  
17 that was the beginning of the process.

18 The Secretary and I conjectured about all of  
19 this, where are these things going. It was really none  
20 of our business to ask because we were given a lawful  
21 direction to carry out the responsibility. We knew that  
22 we would be reimbursed by the Agency for these assets.

23 Q Was it your understanding that General Powell  
24 had told General Thurman that this was to be a close-hold  
25 operation, with no notes and very little in writing?

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1           A     Yes. General Thurman had mentioned close  
2 hold. It was a little unusual to do it this way -- all  
3 personal visit or secure phone call, nothing in writing--  
4 because normally through the [REDACTED] a  
5 procedure is established so that records are kept in a  
6 much more formal process. But this was very high level  
7 and that's why Secretary Marsh and I conjectured what is  
8 this all about.

9  
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15           Q     Did General Thurman tell you whether this was  
16 to go outside of the [REDACTED] because those  
17 were any express instructions he was given, or was it  
18 simply that if we handle it close hold, no notes, that  
19 means we don't use that system? How did those  
20 instructions come to you?

21           A     They just came to us as this is so sensitive  
22 that very few people are to be informed about it, and  
23 you're not even supposed to tell your execs. So I've seen  
24 that in my service -- directions like that -- even in the  
25 JCS during Grenada, for example. No notes were allowed

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1 to be taken out of the tank where the JCS meet, just  
2 because of concern about leaks. And so it wasn't unusual  
3 in the sense of directions to do this.

4 Q But if I understand what you told us  
5 previously -- and by that I should say that the House and  
6 Senate staffs interviewed you on April 17 of this year --  
7 and from what we understand from the course of our  
8 general investigation, it was unusual if the service was  
9 to be providing military equipment to the Agency that you  
10 would not go through the [REDACTED] is that  
11 correct?

12 A Right. Normally on provision of assets to the  
13 Agency we would have a much more formal process.

14 Q Did there come a time when Secretary Marsh  
15 thought it prudent, however, to keep some records in  
16 terms of a chronology of what was happening, even though  
17 the instruction had been more or less no notes?

18 A He and I talked about that, and I felt very  
19 uneasy about this process. And I also felt uneasy about  
20 the notification dimension to the Congress because we  
21 might approach or would appear to be approaching asset  
22 value that required notification. And he and I talked  
23 about that, and so we had a small office that was  
24 starting up, [REDACTED]

25 [REDACTED] involved

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1 in keeping a chronology and records here.

2 And we did then also have a memorandum which I  
 3 believe Lieutenant General Brown signed as the Director  
 4 of the Army Staff to General Powell apprising them of the  
 5 Congressional notification requirement and that they were  
 6 to accept that responsibility. And we got basically an  
 7 answer back from General Powell, roger, yes, we  
 8 understand that and we will take that for action.

9 Q General, let me show you a document which I  
 10 will ask be marked as Wickham Exhibit 1. This is the  
 11 unclassified version. This was a Top Secret document  
 12 which the White House has since unclassified.

13 (The document referred to was  
 14 marked Wickham Exhibit Number 1  
 15 for identification.)

16 If you look at the back page, sir --

17 A That's the memo.

18 Q That's the memorandum from General Brown to  
 19 General Powell. If you will note, then, the page on top  
 20 of that -- and you may not have had a chance to read  
 21 that--

22 A I saw that. Powell just sent it over to  
 23 Admiral Poindexter.

24 Q And then, for the record, Admiral Poindexter's  
 25 note on the top says "Paul, put this with the Finding.

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1 JP." That was Commander Paul Thompson and this was  
2 placed in the safe with the Finding.

3 So, for the record, this is the memorandum  
4 General Brown did?

5 A Yes.

6 Q And what did you say was the response that  
7 General Powell gave to the Army's concern about  
8 Congressional notification?

9 A To the best of my recollection, when he  
10 received this memorandum he said we understand the  
11 requirement and we have it for action. So in a sense we  
12 were off. I mean, they had taken it, and therefore we  
13 did not have to initiate any further action.

14 Q To your knowledge did anyone ever notify the  
15 Congress?

16 A No.

17 Q Was there a point at which the Army, either  
18 yourself or Secretary Marsh or anyone acting on your  
19 behalf, did anyone ever re-initiate this question to  
20 General Powell or to anyone else subsequently, such as to  
21 say, by the way, did the CIA ever notify the Congress or  
22 did the White House ever notify the Congress?

23 A I can't say from personal knowledge that that  
24 was raised with Powell. Again, conceivably it was, but I  
25 just don't know that it was raised.

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1           Q     There came a point in the spring of '86 when  
2     General Powell left to assume command in Europe and Vice  
3     Admiral Donald Jones became Secretary Weinberger's  
4     military assistant and, as we'll get into later, we had a  
5     follow-on to the TOWs, which was the HAWK repair parts  
6     requirement. When that came in did anyone ever raise the  
7     issue anew about Congressional notification, to your  
8     knowledge?

9           A     Not to my knowledge. See, Powell left around  
10    the end of March, early April, and that's when Vice  
11    Admiral Jones came in.

12          Q     Let me go back for a moment to a couple of  
13    things that we've covered that I want to elaborate on  
14    just a bit. You mentioned the creation of [REDACTED]  
15    [REDACTED] If you could, while we've  
16    got some of this in the record from previous witnesses,  
17    take a few minutes and tell us the history of the  
18    creation of [REDACTED]  
19    [REDACTED] and, if you would, sir, render your judgment as  
20    to whether that system works when it's properly utilized.

21          A     [REDACTED]  
22    [REDACTED] Secretary Marsh and I talked at some  
23    length about the desirability of formalizing oversight  
24    [REDACTED]  
25    [REDACTED]

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1 [REDACTED] because various things were  
2 being done.

3 Q Or even, I guess, as we learned with SEA  
4 SPRAY, [REDACTED]

5 [REDACTED]  
6 A Yes, yes. That's the thing. So [REDACTED]  
7 [REDACTED] I signed a memorandum  
8 to the staff to formally organize such an activity,  
9 beginning with [REDACTED]

10 [REDACTED]  
11 [REDACTED]  
12 [REDACTED] anything that we were being tasked  
13 to do by the Agency on the basis of a Finding, the  
14 process of civilian and military review to include legal  
15 and fiscal review. And that was the genesis of the [REDACTED]  
16 [REDACTED]

17 It took a little longer to get organized than  
18 I had wanted. I expressed some aggravation that it took  
19 as long as it did, but finally we got the office going,  
20 and I believe that it has been very successful. There's  
21 not a day that has gone by that I'm in Washington, the  
22 Secretary's in Washington, that we don't get one or two  
23 papers on [REDACTED] for his approval or my approval,  
24 and there's probably not a week that's gone by that the  
25 head [REDACTED] personally has not talked to the Secretary or

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1 me about an issue.

2 Now it may have produced some discomfort on  
3 the part of the Agency. We've heard about some of that  
4 because of what they perceive to be a little more  
5 bureaucratic process than had heretofore existed. They  
6 claim it took a little longer to get things approved, but  
7 I would argue I moved things out of my office within an  
8 hour when I got them, and if I was gone the Vice moved  
9 them, and if the Secretary was gone, the Under moved  
10 them. So I don't see that as a problem.

11 I do see it as a legitimization of our  
12 civilian control and legal responsibilities for these  
13 programs.

14 Q Sir, as I understand the [redacted] process,  
15 there are several levels of legal review that are  
16 involved, [redacted]

17 [redacted]  
18 [redacted] There's a readiness  
19 review. So there are steps built in. But if I  
20 understand what you're saying, that process can be  
21 covered very quickly in the course of meeting the  
22 Agency's needs; is that correct?

23 A Yes. And if there is some urgency about a  
24 particular issue then that's hand-carried, but it's hand-  
25 carried through various wickets that involve legal

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1 review, that involve fiscal review, that involve  
2 uniformed and civilian review. By civilian I'm talking  
3 about appointed civilians who have responsibility, legal  
4 responsibilities, like the Secretary of the Army or the  
5 Under Secretary of the Army.

6 As you know, in the fall of 1983, there was  
7 considerable exposure about actions that had gone on in  
8 the Army staff -- YELLOW FRUIT, all of those names that  
9 you are very familiar with.

10 Q Sir, would that be in '83 or '84?

11 A That was in the fall of '83, [REDACTED]

12 [REDACTED] And out of that came then indictments  
13 and court martials, I guess in '84. So we recognized the  
14 problem of activities being conducted in the bowels of  
15 the Pentagon without adequate control.

16 And [REDACTED] was part of our process of trying  
17 to establish an architecture for civilian and military  
18 oversight. But, more than that, we established command  
19 control over programs [REDACTED]

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Q In your opinion, has  
system worked?

A

I think it's worked exceedingly well.

Q And I take it from your testimony that there's  
no doubt that the Army and, for that matter, the  
government needs to have this kind of intelligence  
activity and operational capacity, if we have the proper  
safeguards and checks built in?

A Yes. There are things that the Agency is not  
equipped to do,

And we do provide assets, equipment to  
the Agency. So there are legitimate intelligence  
activities that the Department of Defense is equipped to  
undertake. We do need to be sure that we have a thorough  
oversight structure to assure that we are complying with  
fiscal controls and Congressional notification, checking  
that Findings in fact do call for providing this kind of

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1 activity.

2 There was one other thought there that crossed  
3 my mind.

4 Q Sir, one of General Russo's Indians named the  
5 projects which involved the Army shipping TOWs and HAWKS  
6 projects SNOWBALL and Project CROCUS. Are you aware of  
7 any request by the Agency which the Army has met other  
8 than SNOWBALL and CROCUS which have bypassed [REDACTED]  
9 [REDACTED]

10 A No.

11 Q And would it be safe to say that among those  
12 items which went through the [REDACTED]  
13 that includes some very sensitive matters, very sensitive  
14 transfers?

15 A Yes. Oh, the thought I was trying to pick up  
16 there -- it escaped me for a minute. As a result of the  
17 [REDACTED] the Secretary kept Secretary of Defense  
18 Weinberger fully informed about what we were doing, and  
19 we periodically briefed him, [REDACTED] did and the  
20 Secretary and I were there, [REDACTED]  
21 so that he was aware of the structure we had established,  
22 and also then aware of the substance of select programs  
23 that we thought were valuable for him to know about.

24 So that brought in then a Cabinet official  
25 into this process. Where we ran into some discomfort

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1 with the Agency because of laggardness or that kind of  
2 thing, the Secretary of Defense was always informed about  
3 that because he knew [REDACTED] because he did  
4 have breakfast from time to time with Mr. Casey and we  
5 didn't want to have any misinformation coming to him.

6 Q Is it your opinion that Secretary Weinberger  
7 was supportive of this structure and this process?

8 A Very much so.

9 Q And to your knowledge has the structure and  
10 process the Army has implemented been duplicated in the  
11 other services?

12 A I don't know that.

13 Q I'm going to jump ahead to one of the  
14 questions that I would ask you toward the end or at least  
15 the end of my examination before my colleagues jump in.  
16 I am going to ask you about recommendations that you  
17 would have for these Committees.

18 As you know, we finished our public testimony  
19 and we're now in the process of taking some final private  
20 testimony and then writing a report, and that report will  
21 contain various recommendations that we have consensus  
22 on, and I'll come to some broader areas later, but let me  
23 just ask you, while we are on this subject, if you would  
24 recommend that if in fact the other services don't have  
25 such a process and a system and office for administering

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1           their support to other government agencies whether they  
 2           should have such a process and a system.

3           A     Well, I think that [REDACTED] has served the Army  
 4           well. [REDACTED]

5 [REDACTED]  
 6 [REDACTED]  
 7 [REDACTED]  
 8           Now the other services, they may be unique,  
 9 [REDACTED] some very sensitive programs that  
 10          they have with very limited knowledge by people, they may  
 11          not want to [REDACTED]

12 [REDACTED] So the other services may have some unique  
 13          circumstances that would legitimately argue against [REDACTED]  
 14 [REDACTED]

15                But for the Army I think it's served us well  
 16                and we do have some highly sensitive programs that are  
 17                known to only a few people and they are highly  
 18                compartmented. So I would think that if you wanted a  
 19                recommendation, in principle the idea makes sense but it  
 20                may need to be tailored by virtue of special  
 21                considerations in the other services.

22           Q     All right, sir. To go back to the chronology  
 23           of Project SNOWBALL, the TOW missiles, you indicated that  
 24           [REDACTED] and I  
 25           think you told us in April that you and Secretary Marsh

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1 and General Thurman, the Vice Chief, were kept informed  
2 of these matters; is that correct, sir?

3 A Yes. We also brought our execs into the  
4 circle because that is a double check. The Secretary and  
5 I and the Vice Chief are very busy people, although I  
6 don't think the Vice Chief brought his exec in, but my  
7 exec, General Peay, Brigadier General Peay was involved  
8 and knowledgeable, and Brigadier General Kavessa, the  
9 Secretary's military assistant, were knowledgeable.

10 Q Am I correct in saying that you and Secretary  
11 Marsh never got involved in the pricing issue on the  
12 TOWs?

13 A Never, other than we were going to be  
14 reimbursed, whatever the reimbursement figure was.

15 Q I'll have a couple of pricing questions for  
16 you later just to see if certain issues percolated up to  
17 you.

18 Did you keep Mr. Taft, the Deputy Secretary of  
19 Defense, apprised from time to time of these  
20 developments?

21 A Yes, I did, on secure phone or face to face,  
22 that we were in fact complying with the requirement.

23 Q Is this just mainly to tell him that the Army  
24 was executing on the next delivery?

25 A Yes, just to close the loop with him. Now he

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1 did tell me one time, he said, don't tell my exec because  
2 he doesn't know about this up here. Only I do or the  
3 Secretary of Defense, the Military Assistant to the  
4 Secretary of Defense, and probably Mr. Armitage. Those  
5 are the only the only four that knew about it.

6 Q Mr. Taft told you that?

7 A Yes.

8 Q Did he mention Noel Koch in that listing?

9 A No.

10 Q For the record, did you ever, prior to these  
11 matters becoming public, did you ever hear Mr. Koch's  
12 name from anyone in connection with these matters?

13 A No. But that doesn't mean that somebody up  
14 there took it on his own, as I did, the Secretary and I  
15 did, to keep our execs knowledgeable.

16 Q Yes, sir. Were you aware contemporaneous with  
17 the meeting of these requirements that the CIA was  
18 operating with any ceiling on the amount of money that  
19 they had at their disposal?

20 A No.

21 Q Were you ever made aware of any pressure by  
22 anyone within the Army or outside of the Army on Army  
23 officials to keep the price down that was charged to the  
24 CIA?

25 A No. We didn't get into, as I say, the pricing

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1 at all.

2 Q All right. I want to walk you through a few  
3 exhibits and I want you to understand why I am going  
4 through them. You have clearly indicated that you  
5 weren't involved with the pricing decision but what I  
6 would like to do, and I think I can do this fairly  
7 quickly, is to show you some things that are curious to  
8 us as we attempt to finalize where the facts are and  
9 piece this together and write our report.

10 I'm going to go through these individually,  
11 but I can do it fairly quickly, and I recognize, General,  
12 that these documents were executed at a very low level  
13 and I'm not expecting you necessarily to have ever seen  
14 them before or to be familiar with how they were created  
15 or who created them.

16 Let me have this marked as Exhibit 2.

17 (The document referred to was  
18 marked Wickham Exhibit Number 2  
19 for identification.)

20 I'll give you a few moments to look at it.  
21 What you are looking at, sir, is something called a  
22 Material Release Order or MRO, and it's an Army MICOM  
23 form 496, and I apologize for the poor quality. These  
24 are many generation copies. But what you are looking at  
25 is the release order prepared by the Army Missile Command

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1 at Redstone Arsenal. You've got three pages there. The  
2 top page is for the first shipment, the second page --  
3 and you can tell that under the quantity block, the first  
4 shipment on page one shows the quantity here of 1,000.

5 A And there's the unit price, 8935.

6 Q \$8,435. The second page is for the quantity  
7 of 508 and it bears the unit price of \$8,435. And then  
8 the final quantity on shipment three is 500, and bears  
9 the unit price of \$8,164.

10 Now this was prepared by the TOW item manager  
11 and that price was put in there. Now let me say, for  
12 your information, to refresh you and also for subsequent  
13 readers of the record, as we now know, if you went at  
14 this time to the AMDF, the Army Master Data File, to look  
15 up a basic TOW missile you would see that the price for a  
16 TOW, a 71-Alpha, was \$3,169.

17 Within the first week or so of working the  
18 requirement the Army ascertained that in order to provide  
19 these missiles in Condition Code A, which the Agency had  
20 specified, they would need to have a safety modification  
21 or a missile ordnance inhibitor circuit, a MOIC, which  
22 costs roughly \$300. And the Army, General Russo's  
23 Indians, apparently added \$3,169 and \$300, as it seems  
24 logical to do, and concluded that the price for the basic  
25 TOW with MOIC would be \$3,469.

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1 for identification.)  
2 This is something called the DD Form 1348, and  
3 it is a standard transfer document, and it's to transfer  
4 from Anniston Army Depot to the Army Missile Command at  
5 Redstone and if you look in the quantity block you will  
6 see quantity of missiles of 1,000 and then the unit price  
7 again is \$8,435. This was prepared at the Depot to go  
8 with the missiles physically as they are transferred up  
9 to Redstone Arsenal, where they were then subsequently  
10 turned over to CIA.

11 The next bit of the paper trail as we get to  
12 Redstone -- and there's one of those. They broke up the  
13 lot of 1,000 TOWs into so many per, I guess, truck or  
14 pallet or whatever, and so that's why you've got several  
15 iterations, because each one represents some portion of  
16 that 1,000.

17 And that's the same for the next exhibit. And  
18 this is essentially the same document as it gets to  
19 Redstone Arsenal, with two exceptions.

20 (The document referred to was  
21 marked Wickham Exhibit Number 5  
22 for identification.)

23 You will notice a signature block and a  
24 gentleman named Chris Leachman signed for these TOWs at  
25 Redstone. Mr. Leachman at the time was the chief of the

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1 Logistics Branch in the TOW missile project office. He's  
2 now the Deputy TOW Project Manager. But if you look in  
3 the upper righthand corner at the price block, you will  
4 see that it now is blank.

5 So as these missiles got to Redstone and as  
6 the transfer documents accompanied them, somehow at  
7 Redstone the price gets removed or doesn't show up as  
8 that document is created.

9 Then if you would look at the next exhibit,  
10 sir, this is again the DD Form 1348.

11 (The document referred to was  
12 marked Wickham Exhibit Number 6  
13 for identification.)

14 And the signature there at the bottom is Major  
15 Chris Simpson, who worked --

16 A For General Russo.

17 Q That's correct, sir, and he was taking receipt  
18 of these missiles on behalf of the Deputy Chief of Staff  
19 for Logistics. And again the cost block is blank.

20 The final exhibit is to show you -- and these  
21 are all with regard to the first shipment -- to show you  
22 what happens as we get to the level of transfer from the  
23 Army to the CIA. These, by the way, have all been  
24 declassified by the White House, so what you see here,  
25 the names of certain Agency officials have been redacted,

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1 and Major Simpson has signed at the bottom.

2 (The document referred to was  
3 marked Wickham Exhibit Number 7  
4 for identification.)

5 There is an Agency individual who has signed  
6 and then the price reappears on the DD Form 1348 and the  
7 price there is \$3,469, which, as I said earlier, is the  
8 price that was initially determined by Major Simpson to  
9 have been the correct price for the basic TOW with the  
10 MOIC.

11 My question to you, sir -- and again I don't  
12 expect you to necessarily have seen these documents  
13 contemporaneously -- has this I'll call it a price  
14 discrepancy, even though that has a pejorative  
15 connotation, it's a curious element to us, has this ever  
16 been brought to your attention?

17 A We did an Inspector General review of the  
18 pricing after all of this came about, the discrepancies  
19 about the prices, and what we were actually owed by the  
20 Agency and had they paid us enough, and that's when we  
21 began to unearth this kind of administrative discrepancy.  
22 It is confusing. It's confusing to have two prices to  
23 begin with, and I don't know the reason for that.

24 So the Secretary and I were aware of it sort  
25 of ex post facto when we got into the issue of well, what

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1 get a report so that he would have an accurate knowledge  
 2 so that he could explain the issue to whomever needed it  
 3 explained.

4 So I really can't say that the report  
 5 completely explained the discrepancy other than it made  
 6 the judgment, as I recollect, that it was simply  
 7 administrative error, sloppiness, that led to this kind  
 8 of variation, that in fact the Agency did owe us more  
 9 money.

10 Q Has it ever been brought to your attention  
 11 that the Agency was billed on the third shipment of 500  
 12 missiles for missiles being in condition Code A -- that  
 13 is, missiles with the safety modification provided -- and  
 14 yet on the third shipment no safety modifications were  
 15 put on those missiles?

16 A That's news to me. I didn't know that.

17 Q Let me ask you if you were aware of any  
 18 request to the Army or tasking on the Army in late 1985--  
 19 this is before SNOWBALL in January of '86 -- to either  
 20 directly provide arms to Iran or provide arms to Israel  
 21 to replenish TOWS or HAWKS which they had already sent to  
 22 Iran?

23 A I'm not aware of any entreaties that way.

24 Q Now let me show you a document that I don't  
 25 have any reason to believe you would have seen yet you

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1 may have heard of its existence because it's been an  
2 exhibit on a couple of occasions. It was an exhibit in  
3 June at our public hearings when Dr. Gaffney, the  
4 Director of Planning for DSAA, testified, and it was an  
5 exhibit when Secretary Weinberger testified.

6 This is something that we call, for lack of a  
7 better term, the TOW paper.

8 (The document referred to was  
9 marked Wickham Exhibit Number 8  
10 for identification.)

11 It was prepared at the request of Mr. Armitage  
12 by Glenn Rudd, the Deputy Director of DSAA and Dr.  
13 Gaffney, and I would specifically address your attention  
14 to the bottom half of the page where it talks about I-TOW  
15 and note that it doesn't talk about basic TOW but it  
16 talks about I-TOW. Let me give you a moment to read that  
17 and then I'll tell you what you're looking at.

18 (Pause.)

19 A Well, this is all news. I've not seen this  
20 before. It looks like this is something to replenish  
21 stocks.

22 Q Yes, sir. Let me tell you. I'll ask you some  
23 questions and certainly give you a chance to reply, but  
24 let me tell you what the history of this is and it will  
25 make a little more sense to you.

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1                   In the Novmeber '85 time frame Colonel North  
 2 was looking at the prospect of us supplying the Israelis  
 3 with 3,300 I-TOW missiles, and in fact they had also  
 4 looked at the prospects of supplying the Israelis 500  
 5 HAWKS, not repair parts but entire missiles -- 500.  
 6 Colonel North asked General Powell to look into the  
 7 availability of 500 HAWKS. General Powell contacted Dr.  
 8 Gaffney, who immediately determined we didn't have 500  
 9 HAWKS available. We had perhaps 120 in the pipeline  
 10 intended for other countries through FMS sales that we  
 11 could divert.

12                   So the number of 120 was being used. Although  
 13 we never provided 120 HAWKS to Israel, that was the plan,  
 14 for Israel to ship 120 HAWKS to Iran, and in fact 18  
 15 HAWKS were shipped, although 17 of them subsequently came  
 16 back from Iran to Israel. Then they looked at the  
 17 possibility of 3,300 I-TOWs. As we know, that never  
 18 happened.

19                   My question to you first is simply a  
 20 refinement from the previous question. Were you ever  
 21 made aware that the Army might be tasked to provide 3,300  
 22 I-TOW missiles to Israel and, second, if you had been,  
 23 what would have been your response in terms of the  
 24 readiness impact?

25                   A     I was not aware of this. I don't believe the

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32

1 Secretary was either. That's not to say that there  
2 wasn't some low level staff communication between DSAA  
3 and the Army staff to gather this kind of information.  
4 My reaction would have been that, as is laid out here,  
5 that's a substantial number of TOWs to deliver to Israel.

6 Q Of I-TOWs?

7 A Of I-TOWs, improved TOWs.

8 Q I take it there would be a difference in terms  
9 of readiness for us providing I-TOWs versus basic TOWs?

10 A Oh, yes, because the I-TOW is in the hands of  
11 our troops. It's not unusual for the Army to take a  
12 negative position on providing of assets to foreign  
13 governments, and periodically we are overruled for policy  
14 considerations.

15 Q All right, sir. I think you've covered this,  
16 but at any time as the Army was executing on the TOW and  
17 HAWK requirements were you ever made aware that this was  
18 being done pursuant to a Presidential Finding?

19 A No. The word Finding never came up, nor did  
20 we ask about it. We accepted the directions from  
21 legitimate authorities, the Deputy Secretary of Defense  
22 Taft and Colin Powell, acting for the Secretary of  
23 Defense, and I think it's appropriate to make a comment  
24 here.

25 I used to have the job that Colin Powell did,

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33

1 as you mentioned very early here, for two Secretaries of  
2 Defense -- Schlesinger and Rumsfeld.

3 Q That would be from 1973 to 1976?

4 A Exactly. And so I understood the importance  
5 of that office, military office. He is probably more  
6 valuable to the Secretary of Defense in carrying out  
7 actions than most officials in the Department of Defense.  
8 And Colin Powell had a special relationship with the  
9 Secretary of Defense. Therefore, when Colin Powell spoke  
10 you better pay attention that he sort of spoke with the  
11 authority of the Secretary. The Secretary was aware of  
12 it.

13 So even though the Secretary didn't directly  
14 say it, when Powell called you knew where it came from.  
15 And in that sense we recognized these must be legitimate  
16 orders, so we didn't go back and say well, now, show me  
17 the piece of paper. I want to see the Finding itself.  
18 You can't conduct business like that in the building and  
19 get things done. You've got to have an element of trust  
20 by trusted officials.

21 Q Let me simply say for the record that in the  
22 questions we have asked, based on all of the  
23 investigation we have done, there is no hint that there  
24 would be anything improper about the Army simply taking a  
25 directive from General Powell, as you have stated, on the

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1 authority that he had and execute it.

2 A I must say, however, we are now as part of [REDACTED]  
3 [REDACTED] process eyeballing the Findings.

4 Q As I understand it, that is a change that's  
5 been implemented by Mr. Carlucci, the new National  
6 Security Advisor, to provide the Army General Counsel  
7 with a hard copy of the Finding; is that correct, sir?

8 A I don't know whether when Frank arrived over  
9 there or whether it began before that, but that may be.  
10 You may be right on the timing.

11 Q Let me go back [REDACTED] for  
12 just a moment and this deposition is codeword-cleared.  
13 Let me just ask you for the record when I asked you  
14 earlier about the fact that we had provided some very  
15 sensitive support to the Agency and those requests have  
16 gone through [REDACTED] I take it that would  
17 include such things as [REDACTED]

18 [REDACTED]  
19 [REDACTED] is that correct, sir?

20 A Correct.

21 Q And those are very sensitive important  
22 national security matters.

23 A Yes.

24 Q But we still put them through the system?

25 A That's right. An interesting point there.

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TOP SECRET//ROSEWORD

35

1 Through [REDACTED] and going back to an  
2 earlier question, you said are you ever aware of things  
3 that get outside of it. Occasionally the Secretary and I  
4 got reports that the Agency had been dealing with  
5 elements in the Army Materiel Command without our  
6 knowledge, and so you may have seen -- I put out a couple  
7 of memorandums as Chief of Staff to emphasize again the  
8 importance of [REDACTED] and that there was to be no  
9 transactions without [REDACTED]

10 So it's not inconceivable from time to time  
11 that through ignorance or other reasons that there may be  
12 contacts made and the [REDACTED] is  
13 not followed to the letter.

14 Q But if I understand what you're telling us,  
15 and we've been told that by any number of individuals,  
16 you are talking about something at a lower level where  
17 somebody at the Agency has a personal relationship with  
18 somebody in the Army.

19 A Exactly.

20 Q But, as I understand it, the effort has been  
21 made to force those back through the system when you find  
22 out about them.

23 A Yes.

24 Q All right, sir. Before we leave this point --  
25 and I'm about ready to go into the HAWKS -- I want to

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1 show you the next exhibit, and you are probably familiar  
2 with that. That is a memorandum from General Vuono, who  
3 then was the Deputy Chief of Staff for Operations and  
4 Plans, to the Director of the Joint Staff last April,  
5 dealing with [REDACTED] and requests from the  
6 Agency.

7 (The document referred to was  
8 marked Wickham Exhibit Number 9  
9 for identification.)

10 Are you familiar with that?

11 A Yes. General Vuono was my Operations Deputy  
12 in the JCS arena. He and I talked about this process  
13 here and that it appeared we were not doing it strictly  
14 according to [REDACTED] and I thought it  
15 would be valuable to have him communicate directly with  
16 the Director of the Joint Staff to try to be sure that  
17 the magnitude of these requests and the process of  
18 handling these requests was cognizant -- was a matter of  
19 cognizance to the JCS.

20 Q Let me ask you a couple of questions about  
21 this memorandum. First, the actual substance which  
22 generated this was not SNOWBALL or CROCUS and didn't  
23 directly bear on the matters our Committee is looking  
24 into; is that correct, sir?

25 A As I recollect, no. It was just the general

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1 process.

2 Q Let me ask you to look at one or two  
3 statements in it and simply see if you agree. In the  
4 first sentence -- now you are looking at the declassified  
5 version of this. The White House has deleted the [REDACTED]  
6 [REDACTED] from this document. But it says: "The [REDACTED]  
7 [REDACTED] system provides a single channel for requests for  
8 support from the Central Intelligence Agency to the  
9 Department of Defense."

10 I want to focus on the word "single". Is it  
11 your understanding that [REDACTED] was to be  
12 the exclusive means by which support was provided to the  
13 CIA?

14 A Well, I would agree with that. [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 And [REDACTED] is the system that I  
21 am familiar with.

22 Q It would at least be true in terms of the  
23 Army?

24 A Yes. I guess that's right. You focused it.

25 Q And in the last paragraph General Vuono says:

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1 "Requests which bypass [REDACTED] system receive  
 2 less service and no Joint Staff scrutiny, yet can impact  
 3 the service's warfighting capabilities." Would you agree  
 4 that if we go past the system we don't adequately get  
 5 these matters staffed in the way that they should be?

6 A Amen. That's what [REDACTED] is all about.

7 Q And it's conceivable that we could have a  
 8 readiness impact that wasn't fully staffed out if we  
 9 didn't go through the system?

10 A Correct.

11 Q And, finally, for the record, sir, I believe  
 12 it's true that General Vuono is now in your previous  
 13 position and that he's the new Chief of Staff of the  
 14 Army?

15 A Yes. He and I talked about the magnitude of  
 16 the requests and that they would be impacting on the  
 17 service's capabilities, warfighting capabilities --

18 [REDACTED] HAWK  
 19 parts, TOWs -- and our conclusion was that's something  
 20 the Chiefs need to be aware of because it is impacting on  
 21 the warfighting capabilities of the services.

22 So we need to be sure that it's [REDACTED]  
 23 [REDACTED] So that's what generated this memorandum.

24 Q Let me go back to something you said earlier  
 25 and in fact that you talked about when we interviewed you

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39

1 in April. You said from time to time the Army may make a  
2 negative recommendation in terms of some requirement and  
3 you will be overruled, and I think we should talk about  
4 that for a moment.

5 I guess it's fair to say there's nothing  
6 improper about people at a higher level who have a  
7 broader vision or broader mission to look at things in a  
8 broader, more general way than you might or the Secretary  
9 of the Army. There's nothing wrong in them saying that  
10 in the broad national interest it's more important that  
11 we go forward than the Army have a few more of its  
12 missiles or whatever in a stockpile.

13 Is that a fair statement?

14 A Yes.

15 Q Would it be your sense that you would not  
16 object to that process, as long as that decision at the  
17 top is an informed decision and it's been fully vetted  
18 and staffed?

19 A Correct, right.

20 MR. SAXON: I am prepared to leave the TOW  
21 topic. Maybe Bob or Roger has a TOW question they could  
22 ask now rather than later.

23 MR. KREUZER: I don't have a question.

24 BY MR. SAXON: (Resuming)

25 Q General Wickham, let me focus now on the HAWK

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1 missile tasking and simply for the first minute or two  
2 get you to walk us through what the chronology was there.  
3 I think that tasking did come directly to you from Mr.  
4 Taft when you were in a meeting on or about April 9 with  
5 the Joint Chiefs in the tank; is that correct, sir?

6 A That's correct. Mr. Taft called down on a  
7 secure phone and wanted to talk to me, and so I came out  
8 of the meeting, sat in a secure room there, and took the  
9 phone call from him. And he said now we need -- we've  
10 been on the HAWK -- I mean, we've been on the TOW issue  
11 here, but, John, we need to now move into some HAWKS with  
12 the Agency, and I think he mentioned the figure 240 line  
13 items of HAWK parts, and if you would arrange for your  
14 logistics people to deal -- I think the man's name in the  
15 Agency was [REDACTED] -- talk with [REDACTED] about the  
16 details of it, reimbursement, where and all of that.

17 Okay. So I called General Russo down to the  
18 tank and in that secure room I gave him the same  
19 instructions, and he then subsequently -- I'm sure you've  
20 talked with him, got a deposition from him -- did get  
21 [REDACTED] and that process began. And then  
22 subsequent to that time Russo told me that some of the  
23 deliveries had already been started.

24 And so I kept Taft informed about the process  
25 here. Now that doesn't mean that I was aware -- the same

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1 way with the TOWs -- aware of every transaction. We may  
2 have delivered 100 here or 200 there. I was not aware of  
3 that, of the detailed transactions.

4 Q And we understand that once the Army begins to  
5 execute it's not necessary for those kinds of details to  
6 come to your attention. There are one or two details  
7 that I want to ask you about on HAWKS. Is it your  
8 understanding, did Mr. Taft make clear to you that this  
9 was a follow-on to the TOWs?

10 A Yes.

11 Q And did you understand that to mean that it  
12 would be the same project or the same customer?

13 A Clear in my mind, because he related them.  
14 They were related. Once again, no destination, but I  
15 suppose you could say well, if you thought about [REDACTED]  
16 months earlier, now with HAWK missiles, wasn't there  
17 something incongruous because I don't believe [REDACTED]  
18 HAWKS, and the thought never crossed my mind, to be  
19 honest.

20 Q And did Mr. Taft make clear that this was sort  
21 of to be handled in the same way -- few people, no notes,  
22 close hold, et cetera?

23 A Yes.

24 Q Let me ask you about the readiness impact with  
25 regard to these HAWK parts. When we talked back in April

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1 I believe you told us that you didn't see any of the  
2 readiness data before the fact; is that correct, sir?

3 A That's right.

4 Q The Department of the Army Inspector General  
5 report indicated that with regard to the 234 repair parts  
6 which were requested that 221 were actually provided, and  
7 when the Army Missile Command specialist who worked the  
8 HAWKs began to look at this list of repair parts they  
9 made an initial determination that to provide them would  
10 result in significant depletion with regard to 46 of  
11 those parts if they provided the quantities requested.

12 They broke that number of 46 down in the  
13 following manner: 15 of the parts would deplete Army  
14 inventories 100 percent; 11 of the parts would be  
15 depleted in excess of 50 percent; and 20 of the parts  
16 would be depleted less than 50 percent but still to a  
17 significant level.

18 The first question -- and I think this is  
19 answered by your previous statement -- but those specific  
20 figures were not brought to your attention; is that  
21 correct, sir?

22 A Correct.

23 Q Now to just state that would be a bit  
24 misleading because, as we have learned, that readiness  
25 figure of 46 in large part was keyed to the quantities

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1 requested, and as this was worked and there was a lot of  
2 back and forth between the Army and the CIA some of those  
3 quantities were decreased so that even though the parts  
4 were provided it wasn't in the same quantities so the  
5 readiness impact wouldn't be the same.

6 A I seem to recollect -- I can't tell whether  
7 it's after the fact or during the process -- I seem to  
8 recollect that with the HAWK parts there was some  
9 discussion of readiness impact. It's not as easy to  
10 accomplish as with the TOWs. But I can't be sure that  
11 this was after the fact, the way we are talking about it  
12 now, or whether it was in the process. But I have in the  
13 back of my mind some awareness that there was a readiness  
14 implication.

15 Q Do you know when that awareness came? I mean  
16 was it contemporaneous with this or was it after, later?

17 A I'm not sure. See, it's all kind of a  
18 melange. Is it a result of this kind of discussion or  
19 did Russo mention that we may have some implications here  
20 on readiness to me? I'm not sure, but I have something  
21 in the back of my mind that says yes, it's not as easy as  
22 it was with the TOWs.

23 Q We clearly understand the difficulty in asking  
24 people, number one, to recollect things that took place a  
25 year and a half ago and, number two, to separate out what


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1 you knew then from what you've learned since, so we  
2 sympathize with that problem.

3 Let me ask you about a specific part and a  
4 specific matter that I just found out about this Monday  
5 when Colonel Wallace and I were at Redstone Arsenal  
6 interviewing and deposing some of the HAWK repair part  
7 specialists. We spent time with two individuals, a  
8 gentleman who oversees all air defense systems -- the  
9 Redeye, the Stinger, the HAWK and others, I guess -- and  
10 the individual, both Army civilians, who oversees  
11 specifically HAWK repair parts.

12 And we talked through these numbers and the  
13 readiness impact and we were told that with regard to one  
14 of these parts -- something called the 

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23 As they worked this requirement and looked at  
24 the availability, they determined that they had  of  
25 these in Army inventories worldwide. The Iranians

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45

1 requested [REDACTED] of them -- I say Iranians. Obviously they  
2 didn't know these were intended for Iran, and in fact you  
3 didn't, as you've told us, but the customer requested [REDACTED]  
4 They indicated to Major Simpson that, A, they couldn't  
5 provide [REDACTED] we only have [REDACTED] and they would prefer not  
6 to provide those because, as they indicated to us, this  
7 part is of such criticality that if it goes down it will  
8 entirely deadline the system.

9 In fact, there was some back and forth between  
10 Simpson and the Agency, but ultimately a listing of parts  
11 that were required to be provided was datafaxed from DALO  
12 down to Redstone and in fact the Army provided all [REDACTED]  
13 [REDACTED] to the CIA for Iran.

14 We were told on Monday that this has still  
15 presented some readiness impact because even though the  
16 Army Missile Command has attempted to accelerate the  
17 procurement of those in the pipeline and accelerate those  
18 that are being maintained at various depots that we still  
19 have active Army units with stockage shortages.

20 The first question: were you ever made aware  
21 of any of this?

22 A No.

23 Q Had you been made aware of it, assuming that  
24 what I have stated is an accurate representation, would  
25 that have concerned you?

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1           A     Yes. And that is the kind of thing that we  
 2 would have gone to Will Taft about and said, look, we've  
 3 got a requirement here you've laid on us, but now we have  
 4 some serious implications and we recommend strongly  
 5 against it.

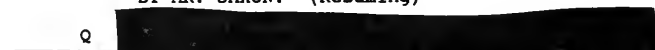

6           MR. KREUZER: John, when we speak of system  
 7 here,


8   
 9   
 10           could go down because this  
 11 part was not functioning? I mean, I was just saying that  
 12 to clarify.

13           MR. SAXON: Is that correct, Colonel Wallace,  
 14 as you understand it?

15           COLONEL WALLACE: Yes.

16           BY MR. SAXON: (Resuming)

17           Q       
 18            as I  
 19 understand it, if that's correct.

20           A     Well, these may have been spares that were  
 21 generated as a result of maintenance floats, and so you  
 22 need a degree of a float, and  does not sound like a  
 23 large float to me, and to draw it to zero sounds like not  
 24 very sound judgment.

25           MR. SAXON: I think that's all I've got on

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1 HAWKS. Gentlemen, do you have anything further? All  
2 right.

3 BY MR. SAXON: (Resuming)

4 Q There are one or two things I want to ask you,  
5 sir, before I look at a couple of contra-related matters.  
6 What would be the possible reasons why the Army would  
7 choose not to meet a request from the Agency? When we  
8 talked with you in April you told us there would be  
9 several possible reasons. Readiness might be one. What  
10 would the others be?

11 A Well, readiness is the legitimate issue.  
12 There have been occasions when we have taken issue with  
13 them, for example on the   
14   
15 Why don't we have a  
16 better procedure for controlling them? We are uneasy  
17 about the numbers that are being provided in the case of  
18 

19  
20 Can't we have a better arrangement on  
21 procedures rather than sort of an open letter of credit?  
22 One might argue that's none of your business, Mr. Army;  
23 the Finding calls for a certain number and the only  
24 legitimate basis you have to take issue is one of  
25 readiness. But the Secretary and I, and Jim Ambrose, the

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1 Under Secretary, have gone beyond just readiness.

2 The JCS have talked about that also in the  
3 case of [REDACTED]

4 [REDACTED]  
5 Q Don't tell us there is a new fact here we have  
6 missed.

7 A No. [REDACTED]  
8 because we were uneasy for the same reasons about just  
9 numbers. So that's the basis.

10 Q So if I understand what you're telling us  
11 today and what you told us in April, readiness would be  
12 one reason. Second would be [REDACTED]

13 [REDACTED]  
14 A Procedures for accountability is the other  
15 one.

16 Q And would it be possible that one of them  
17 would simply be a difference of opinion about the wisdom  
18 of providing the support?

19 A That's a third one, because [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]

24 But that's a policy issue that's got little to  
25 do with readiness. And we've had some discussions about

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1 that.

2 Q All right, sir. I realize I do have one  
3 leftover HAWK question. Simply for the record I believe  
4 it's correct that you never got involved with the two  
5 HAWK radars that were part of the request that were  
6 located but found to be part of the Iranian frozen  
7 assets; is that correct?

8 A Right.

9 Q Did you ever get involved in what we call the  
10  which came from the Agency for

11

12

13

14 and ultimately Secretary Marsh took this issue to  
15 Mr. Taft, and the support was not provided? Was that  
16 something you became aware of?

17 A I was not directly involved. I was aware of  
18 it. I may have been out of the country and the Vice  
19 handled it.

20 Q And while I think I asked this in the context  
21 of the questions about 1985, as far as you know, the Army  
22 was never asked to provide any HAWKS or HAWK repair parts  
23 prior to April of 1986 for Iran or for replenishment to  
24 Israel; correct?

25 A To the best of my knowledge; that's right.

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SECRET FOLIOWORD

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1 Q Let me ask you briefly about something called  
2 [REDACTED] Let me take a minute to explain  
3 what that is because, as we've learned, there are many of  
4 these operations and while you may at the time know  
5 exactly what that one means they probably, at least for  
6 me they tend to blur together.

7 This was [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10 [REDACTED]  
11 [REDACTED] Is that something  
12 that you were aware of at the time?

13 A No.

14 Q Have you subsequently learned anything that  
15 you could share with us about [REDACTED]

16 A No, other than what I read in hearings or had  
17 seen on the hearings and read in the newspapers.

18 Q All right, sir. Let me turn for a moment to  
19 the contra side of these matters and let me start by  
20 asking just a general and open-ended question. I guess  
21 for the record you had no knowledge of any effort to  
22 divert arms sale monies to the contras; is that correct?

23 A No knowledge.

24 Q Are you aware of any efforts while you were  
25 Chief of Staff or, I guess, conceivably while you were

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SECRET FOLIOWORD

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1 the Vice, during periods when the Boland Amendment or one  
2 of the other of the Boland Amendments, cut off direct  
3 U.S. Government funding to the contras, are you aware of  
4 any efforts in which the Army was involved to bypass the  
5 Boland Amendment and get arms to the contras?

6 A No, not to bypass the Boland Amendment. I  
7 obviously am aware that we were providing materiel to the  
8 Agency consistent with authorized funding.

9 Q And there were times when that was appropriate  
10 and legal, so my question doesn't include that.

11 Sir, I want to ask you about the activities of  
12 our two SOUTHCOM commanders at various periods, first  
13 General Gorman and then General Galvin, with regard to  
14 one or two things that they may have known or may have  
15 been involved with in terms of what we call the private  
16 supply operation or the resupply operation which Colonel  
17 North, I think it's fair to say, directed.

18 I guess for the record the SOUTHCOM commander  
19 in no way reports to the Chief of Staff of the Army; is  
20 that correct, sir?

21 A That's right.

22 Q That reporting channel is direct to the JCS?

23 A Right. However, being Army he does wear an  
24 Army hat in the sense that he has Army forces, and so  
25 there is a relationship, formal and informal, with the

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1 Army.

2 Q General Wickham, the Committee has heard  
3 testimony, sworn testimony, from a gentleman named Felix  
4 Rodriguez, who spent some time in Central America working  
5 in, I don't think it's unfair to say, ways at the  
6 direction or request of Colonel North to aid the resupply  
7 operation during the time when the Boland Amendment cut  
8 off all U.S. Government funds for the contras.

9 Were you ever made aware by General Gorman  
10 that he was in any way involved in discussions with Mr.  
11 Rodriguez, facilitating his arrival down there, or giving  
12 him any advice as to what he should be doing in terms of  
13 the contras?

14 A No.

15 Q Let me show you for the record the next  
16 exhibit, which I believe will be Number 10.

17 (The document referred to was  
18 marked Wickham Exhibit Number  
19 10 for identification.)

20 Let me just give you a minute to take a look  
21 at it and then I will ask you a couple of questions.

22 (Pause.)

23 A I don't recollect seeing this. This is a  
24 NODIS?

25 Q As far as I know, sir, you would not have seen

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1 any of these, although if you did you can certainly tell  
2 us.

3 (Pause.)

4 A Well, General Gorman had extensive connections  
5 back in Washington here with the Agency and with State,  
6 and General Gorman as a style of operation was very non-  
7 bureaucratic.

8 Q Well, we've discovered that in terms of some  
9 of these back channel communications. Let me just walk  
10 you through parts of each of these.

11 The first is a State Department cable from  
12 Ambassador Pickering and it's dated 12 February 85.  
13 Within it it contains the text of a message. He says:  
14 "The following message was received by Ambassador  
15 Pickering from General Gorman on February 8", and it  
16 deals with Felix Rodriguez who was the subject, and it  
17 states: "Subject has been put into play by Ollie North.  
18 Ollie assures me that he will pass word to Rodriguez to  
19 get in touch with me before he goes any further. I will  
20 arrange to have Rodriguez come to SOUTHCOM for  
21 discussions. We can then decide whether it will also be  
22 useful for him to inspect El Salvador air force  
23 operations. But Ollie assures me that his intent was to  
24 focus Rodriguez on forces operating elsewhere in Central  
25 America."

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1                   And then the last sentence: "Ollie rogered  
2 and said that Rodriguez can be much more useful in other  
3 places where aid and advice is much scarcer."

4                   If you would look at the second document in  
5 this exhibit, it's dated 14 February, two days later.  
6 It's for Ambassador Pickering and Colonel Jim Steele, who  
7 was the Army colonel who was the Mil Group commander in  
8 El Salvador from General Gorman, subject Felix Rodriguez.  
9 I just want to read a couple of sentences from it. In  
10 paragraph one General Gorman states: "I have just met  
11 here with Felix Rodriguez."

12                   In paragraph two: "Rodriguez' primary  
13 commitment to the region is in [REDACTED] where he wants  
14 to assist the FDN. I told him that the FDN deserved his  
15 priority."

16                   In numbered paragraph four, General Gorman  
17 says: "I recommend that Jim Steele meet with him." And  
18 then, in the last paragraph: "Assuming your approval, I  
19 will send Rodriguez to [REDACTED] tomorrow, 15 February, in  
20 one of my C-12s."

21                   Then, finally, the last document is from  
22 Ambassador Pickering back to General Gorman, and there's  
23 no date on it, but from the text of it it's about this  
24 same time and follows in sequence. He says, in paragraph  
25 one: "I had a valuable meeting with Felix Rodriguez

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1 February 15", which would suggest that General Gorman's  
2 proposal that he leave SOUTHCOM and go up was followed.

3 And then in the last paragraph on that page he  
4 says: "Rodriguez will return in three to four weeks to  
5 work with Bustillo, FAS and Steele. Steele will monitor  
6 closely."

7 My question to you, sir, very simply is were  
8 you ever made aware of any involvement by General Gorman  
9 or Colonel Steele in working with, discussing, assisting  
10 or facilitating any of Mr. Rodriguez' operations?

11 A No.

12 Q All right. The next questions are along the  
13 same lines with regard to General Gorman's replacement as  
14 SOUTHCOM commander, General Galvin. Let me just ask the  
15 general question if you were ever made aware of any  
16 involvement or knowledge that General Galvin had of the  
17 contras resupply operation?

18 A No.

19 Q And I guess it's implicit in your answers, but  
20 I should ask for the record did you ever give any  
21 guidance or instruction to General Galvin or General  
22 Gorman that they should in any way aid the resupply  
23 operation?

24 A No.

25 Q All right. Let me give you this memorandum.

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1 Before you look at it let me simply tell you what you are  
2 looking at. It's a hard copy memo from Colonel North to  
3 Admiral Poindexter dated January 15, 1986, in which he is  
4 proposing -- General Galvin is coming to town and he is  
5 proposing that they meet regularly.

6 (The document referred to was  
7 marked Wickham Exhibit Number  
8 11 for identification.)

9 Really what I am directing your attention to  
10 there is the last paragraph.

11 (Pause.)

12 The question, sir, as you look at the last  
13 paragraph, Colonel North states: "You should be aware  
14 that General Galvin is cognizant of the activities under  
15 way in both Costa Rica" -- parenthetically, that had to  
16 do with the private air strip there -- "and at [REDACTED]  
17 [REDACTED] in support of the DRF. General Galvin is  
18 enthusiastic about both endeavors."

19 I should say that we have shown this document  
20 to General Galvin in his deposition and he said that in  
21 fact that is an accurate statement, that he did know  
22 about those activities and that in a general way, in  
23 terms of the contras needing assistance, that he was  
24 supportive of those endeavors.

25 Let me simply ask if you were ever made aware

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1 that General Galvin or anyone in an Army uniform was  
2 knowledgeable about the resupply operation during this  
3 time period.

4 A No, not [REDACTED] I knew that we were

5 [REDACTED]  
6 [REDACTED]  
7 [REDACTED] But I'm not  
8 aware of any of this kind of direction with Rodriguez or  
9 the [REDACTED] thing. That was news to me also.

10 Q All right, sir. I've just got one or two more  
11 questions about the topic I'm sure you are probably tired  
12 of talking about now, and that has to do with [REDACTED]  
13 [REDACTED] YELLOW FRUIT. We have ample testimony  
14 from other individuals about that in terms of a lot of  
15 the details, and so in the interest of time we're not  
16 going to walk you through that. You've already talked a  
17 bit about some of that.

18 But when we talked with you in April you  
19 indicated that you probably thought some of that kind of  
20 activity had been going on in the Army staff for years  
21 and maybe in the other services, and you stated words to  
22 the effect that [REDACTED]

23 [REDACTED]  
24 [REDACTED] and they develop relationships and so  
25 forth, it gives rise to that kind of possibility. Is

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1 that a fair statement?

2 A Yes.

3 Q I indicated earlier that the Committees will  
4 be writing a report, are in fact beginning to put  
5 together a report as we speak, and we will need to make  
6 recommendations about anything that strikes us as worthy  
7 of a recommendation, whether it be a need for new  
8 legislation or a new procedure or whatever.

9 My question to you about YELLOW FRUIT [REDACTED]  
10 [REDACTED] assuming, as I think you have already  
11 testified, we need some of the capabilities that those  
12 operations were directed at, beyond what the Army has  
13 already done with [REDACTED] and a  
14 better awareness generally about these kinds of  
15 operations are there any recommendations you think we  
16 should make -- structural, institutional, legislative or  
17 otherwise -- that would allow us to have that capability  
18 but help us avoid the abuses that we have seen?

19 A I think I mentioned earlier that the conduct  
20 of these operations should be [REDACTED]

[REDACTED]

21  
22  
23  
24  
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1                   And we have tried to insist on that. If the  
2                   activity then needs additional capabilities -- aircraft,  
3                   you've got to arrange for an aircraft, you've got to buy  
4                   them, you've got to go to the Air Force to get them, for  
5                   example, or we need to buy some other capabilities --  
6                   then you have an established procedure

7 [REDACTED]  
8 [REDACTED]  
9 [REDACTED]  
10                   The conduct of  
11                   activities, [REDACTED] operation as a central focus for [REDACTED]  
12                   [REDACTED] is valuable. I think  
13                   you can [REDACTED] if you are concerned, if  
14                   a service is concerned about disclosure of information,  
15                   very sensitive information. You can [REDACTED]  
16                   [REDACTED] but [REDACTED] does provide central  
17                   management, oversight, and legitimate civilian, military,  
18                   legal, budgetary review, and also, at the proper time,  
19                   Congressional oversight.

20                   So I would commend the [REDACTED]  
21                   Q     Would we needlessly create problems of  
22                   inflexibility if the Committees recommended that that  
23                   kind of structure be institutionalized by legislation?  
24                   A     I think you would be well advised to give a  
25                   degree of flexibility to the Secretary of Defense to make

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1 modifications to a structure, a structure in principle,  
2 based on legitimate security considerations.

3 Q You mentioned the need at appropriate stages  
4 for Congressional notification. As you know, our  
5 hearings have focused on that issue to a great extent,  
6 and there are legitimate concerns within the Executive  
7 branch about Congressional leaking and so forth.

8 My question to you along two lines is, one, do  
9 you think that we need a joint intelligence committee  
10 smaller in number than the two committees which now exist  
11 and smaller in terms of the staff, if that would be a  
12 positive recommendation? And, second, how we can better  
13 address the problem of the need for Congressional  
14 notification and yet the competing consideration for  
15 sensitivity in certain matters?

16 A Well, I know the Tower report recommended a  
17 combined committee to reduce the numbers and access, and  
18 there may be some legitimacy to the argument of reducing  
19 the numbers of people that are exposed to information. I  
20 think the Administration supports the Tower  
21 recommendation.

22 I would argue for fewer being knowledgeable.  
23 I would also argue that the Congress itself needs to be  
24 very careful about assuring professional stature on the  
25 staffs of their committees. I think the House does a

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1 particularly good job there. I'm not sure about the  
2 Senate. You know, you invest heavily in developing  
3 experience here and in getting security clearances, and  
4 then the Senators or the House members change and they  
5 bring their own people in and get rid of these other  
6 people that have developed the expertise and the security  
7 clearances and bring in fresh people.

8 I'm not sure that that is a useful process, so  
9 I would urge that whether you combine the committees or  
10 keep the two committees that you have plenty of need to  
11 know and minimize the size of the staffs but you  
12 thoroughly professionalize the staffs rather than allow  
13 the staffs to become a hiring ground for the elected  
14 officials.

15 And I sense there is a little bit of the  
16 latter. I may be speaking out of pocket here, but I  
17 think you do a disservice to yourself by letting people  
18 go.

19 Q I think it's those kind of candid assessments  
20 that the Committees want. Can you conceive of any  
21 circumstances in which no Members of Congress should be  
22 notified of covert operations that are being conducted?

23 A I can't conceive of some right now. Timing of  
24 notification may be a factor. The individuals that you  
25 single out may be factors. The Majority, Minority,

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1 senior member -- you may limit it to that kind of a  
2 thing. But I can't conceive of subjects where we should  
3 not consult adequately with the Congress. I'm not sort  
4 of trying to play to your strength here, but I've always  
5 been a strong believer in the constitutional process of  
6 our government -- cumbersome, to be sure, but it is  
7 established in our Constitution, and I have been a strong  
8 believer in it.

9 Q Sir, there's been a lot of concern expressed  
10 about the detailing of military officers to the National  
11 Security Council staff and how long they should stay  
12 there and so forth. Do you have any thoughts along those  
13 lines and should we make any recommendations about limits  
14 on the time that military officers can spend on the NSC  
15 staff?

16 A No. I think good judgment argues for  
17 flexibility. You may get someone who gets to be  
18 especially expert and you reach a crisis point in a  
19 particular situation and you may want to keep him there.  
20 So I don't see any limit there, and I do believe you need  
21 to capitalize on detailing of military officers who have  
22 got a lot of experience.

23 Q Let me put to you an argument or a sense that  
24 was conveyed to us in sworn testimony that we have  
25 received -- and I won't identify the specific individuals

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1 but they are colleagues of yours -- who suggest that  
2 although what you say is true, you put somebody on the  
3 NSC staff and they do develop that kind of expertise, in  
4 fact the exact kind of expertise and institutional memory  
5 you said that the staffs on the intelligence committees  
6 on the Hill need, they said that there comes a time when  
7 those individuals become too invaluable in that they do  
8 become the institutional memory for the staff and people  
9 then begin to look to them, and having an individual such  
10 as Colonel North, who had been there through four  
11 National Security Advisors, people -- at least the  
12 argument was put to us -- tend to look at him and say  
13 well, that's the military input so we don't need to  
14 notify the guys in the tank.

15 Do you have a sense that that --

16 A That's going to be the case whether you have  
17 someone there five years or one year. The temptation  
18 might be that you've got the military input because this  
19 guy's resident.

20 Q So that's not really a function of time?

21 A I don't see that that is a problem. Yes, the  
22 individual has got to be concerned for his career and the  
23 service needs to be concerned about the individual and  
24 his career because you begin to miss various gates of  
25 command opportunity and schooling, and I think Colonel

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1 North missed some of those gates, and there is a  
2 potential for an officer detailed to become enamored with  
3 the position he has and to want to make a career out of  
4 it and stay over there and forego all of these other  
5 opportunities.

6 That's not to say that the government is going  
7 to be badly served by an individual. It had been badly  
8 served.

9 Q Any other recommendations you've got for us?

10 A No, sir. I have not followed all of the  
11 hearings, so I can't really speak knowledgeably.

12 Q For what it's worth, some of us haven't  
13 either. We've been over in your building.

14 Bob, Roger, do you guys have anything that we  
15 haven't covered?

16 MR. GENZMAN: I think you've covered what I  
17 needed. Thank you for your time, sir.

18 MR. KREUZER: Thank you.

19 MR. SAXON: Sir, let me simply say for the  
20 record that even though you are now a civilian you  
21 weren't up until a few weeks ago. You have had a  
22 distinguished military career in serving your country.  
23 We appreciate your insight and wisdom and let me just say  
24 in your previous capacity that we have found the Army  
25 incredibly helpful to us both in a personal way and in

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1 terms of the subject matter of our investigation and for  
2 your role in that in the earlier part of our  
3 investigation we are deeply in debt, and the Committee  
4 thanks you for your time.

5 THE WITNESS: Good. Well, it came at a time  
6 when Jacm Marsh and I have known each other for a long  
7 time and we served together when I was in OSD and he was  
8 there, so the efforts that he and I took to establish  
9 [redacted] and get a better handle on [redacted] programs I  
10 think came as a result of the close relationship that he  
11 and I shared and our common view about the need for the  
12 Constitutional process.

13 MR. SAXON: And that will be the last word.  
14 Thank you, General.

15 (Whereupon, at 11:40 a.m., the taking of the  
16 instant deposition ceased.)

17 \_\_\_\_\_  
18 Signature of the Witness  
19 Subscribed and Sworn to before me this \_\_\_\_\_ day of  
20 \_\_\_\_\_, 1987.

21 \_\_\_\_\_  
22 Notary Public

23 My Commission Expires: \_\_\_\_\_

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Paul,  
Put this with the  
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Wickham  
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[redacted] / Released on 21 Jan 1987  
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EXHIBIT  
CIDW-22

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OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON DC 20301

N 9895

12 March 1986

*John*  
MEMORANDUM FOR VICE ADMIRAL POINDEXTER

The attached memorandum from the Director of the Army Staff is self-explanatory. It reflects the unease of the Army General Counsel's office over the transfer of items with which you are familiar. As you know, we have been handling this program on a very close hold basis, and the Army has been told nothing with respect to destination. Per guidance received from NSC, the Army has been told that they have no responsibility for Congressional notification. The Army has also been told that whatever notifications are to be made will be taken care of at the appropriate time by the appropriate agency and that the Attorney General has provided an opinion that supports this position.

The Secretary asked that I make you aware of the Army's concerns in the event you wish to advise the DCI or the Attorney General.

Colin L. Powell  
Major General, USA  
Senior Military Assistant  
to the Secretary of Defense

Declassify on: 29 June 1987  
Authority: E.O. 12057  
by 6. [unclear] Council

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 DEPARTMENT OF THE ARMY  
 OFFICE OF THE CHIEF OF STAFF  
 WASHINGTON, D.C. 20310

N - 9900

7 MAR 1983

MEMORANDUM FOR THE MILITARY ASSISTANT TO THE SECRETARY OF DEFENSE *Chia*  
 SUBJECT: Congressional Notification of Significant Intelligence Activities (U)

1. (TS//NOFORN) On 18 January 1986, the Army responded to a verbal tasking from your office to provide 1,000 TOW missiles to the Central Intelligence Agency with a contingency for 3,509 more at a later date. The first 1,000 missiles were delivered on 14 February 1986 to the CIA.
2. (TS//NOFORN) This request for support circumvented the normal [redacted] system for reasons of security, yet the support exceeded the \$1 million threshold established in the FY86 Intelligence Authorization Bill for reporting to Congress as a "significant intelligence activity." Funds in excess of \$3.5 million were provided by the CIA to reimburse the Army for the first 1,000 missiles. Billing and payment will occur within 60 days, or when all missiles are delivered, whichever is shorter. The Agency expects to complete the project within 60 days.
3. (TS//NOFORN) SECDEF memorandum of 13 June 1983, subject: DoD Support [redacted] (S), establishes responsibility for notification of Congress of DoD support to the Agency with the Deputy Under Secretary of Defense for Policy. It also confirms that primary responsibility resides with the Director, Central Intelligence. In the case of the TOW missiles, the Army understanding on responsibilities for notification conforms with your June 1983 memorandum.
4. (TS//NOFORN) This memo is to assure understanding of statutory requirements should this issue be raised by one of the Congressional intelligence committees in the future.

Partially Declassified/Released on 23 June 1987  
 under provisions of E.O. 12356  
 by [redacted] National Security Council

1356  
 135  
 ARTHUR S. BROWN, JR.  
 Lieutenant General, GS  
 Director of the Army Staff

CLASSIFIED BY: DASP  
 DECLASSIFY ON: OADR

**UNCLASSIFIED NOFORN**

28 JAN 86

UNCLASSIFIED

THRU: DRSM - \_\_\_\_\_ FROM: DRSM - 6-10-86 DATE: 21 Jan 86  
 TO: DRSM - \_\_\_\_\_ ITEM: MANAGER'S ANAL-CD 144 PHONE: 6-4615

ISSUE 1987	ISSUE 1987	ISSUE 1987	NATIONAL STOCK NUMBER	UNIT OF ISSUE	QUANTITY
10A 0144	14104	1139	512	EA	1144
cc 1-3	cc 4-6	cc 7	cc 8-12	cc 13-14	cc 15-18

REGULATORY	DATE	SERIAL	ISSUE	SUPPLEMENTARY ADDRESS (Ship To)	EG CODE	FUND CODE	DIST CODE	PROJECT CODE	PRIORITY CODE
W 8 1 0 3 M	6 22 8	D 0 1 7		031 E 36 M FA					0 2
cc 2-3	cc 3-5	cc 6-13	cc 14	cc 15-20	cc 21	cc 22-23	cc 24-26	cc 27-29	cc 30-41

REQ. DATE	ADVISE CODE	DEPT. FROM	PURP. CODE	CONV. CODE
0 2 9		B A D A A		
cc 53-64	cc 65-68	cc 69-70	cc 71	
PURP. CODE	EDIT ACTION	ANAL. CODE (DRSM-80)		
D 3	A 7			
cc 72	cc 73	cc 74-75	cc 76-77	cc 78-80

IN-THE-CLEAR ADDRESS (Ship To)

Wickham  
 Ex. #2  
 9/14/87 mas

ADDITIONAL INFORMATION

Declassified/Released on 30 July 1987  
 under provisions of E.O. 12356  
 by B. K... Security Council

UNIT PRICE: \$8935

EXCEPTION DATA

APPROVED

DISAPPROVED

JUSTIFICATION FOR TELEPHONE IPO 81-88 WRD (CHECK APPROPRIATE BLOCK)

NECESSARY TO MEET SCHEDULED DEPARTURE DATE OF A VESSEL OR OTHER CARRIER.

NECESSARY TO MEET SCHEDULED DEPLOYMENT DATE FOR AN OPERATION FORCE.

NECESSARY TO MEET FIRM COMMITMENT FOR DELIVERY OF MATERIAL TO A COUNTRY PARTICIPATING IN INTERNATIONAL LOGISTICS PROGRAMS WHERE IT IS NECESSARY TO MEET A COMMITMENT DT.

EMERGENCY REQUIREMENTS FOR MEDICAL AND DISASTER SUPPLIES.

REQUISITION CONTAINS PRIORITY 81-88 IN COLUMNS 88-91 AND CODE 659 IN CARD COLUMNS 68-84.

APPROVED  DISAPPROVED

EXHIBIT

020042

OFF-LINE  MATERIAL ON RECORDS  DEPOT  MARCOM

DEPOT CONTACT: K. J. ...

PHONE-EXT. 713

NOTE: PRIORITIES 81 THRU 88 WILL BE ROUTED THRU DRSM-88 TO DRSM-80.  
 PRIORITIES 89 THRU 95 WILL BE ROUTED DIRECTLY TO DRSM-80.

ASSIGNED PRIORITY:	DATE	SIGNATURE OF APPROVING AUTHORITY
<input checked="" type="checkbox"/> APPROVED	28 Jan 86	[Signature]
<input type="checkbox"/> DISAPPROVED		

FORM 8-4 FORM 8-4, 1 AUG 77 PREVIOUS EDITION IS OBSOLETE

EXHIBIT P-5 - [Signature]

UNCLASSIFIED

3118

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Request for Supply Action

TO: DRSMI - LC.A.M.A.  
DRSMI - LC.A.M.  
DRSMI - LC.A.M.DC

FROM: DRSMI - LC.A.M. 1ST DATE: 16 Nov 81  
 ITEM: MANAGER'S ANAL-CO M14 PHONE: 694-4885

NATIONAL STOCK NUMBER: 1414411391512 UNIT PRICE: EA 04588

DOCUMENT NUMBER: 61360610

DISPATCHER: 3103M DATE: 61360610 SERIAL: 1414411391512

SUPPLEMENTARY ADDRESS (SHIP TO): US1K36M EA

IN-THE-CLEAR ADDRESS (SHIP TO):

Q DEL. DATE: 139 ADVISE CODE: B DEPT. A/C FROM: A PURP. CODE: D COND. CODE: A

PURP. CO. TO: A EDIT ACTION: A ANAL. CODE (DRSMI-SC): A

ADDITIONAL INFORMATION:

UNIT PRICE: 48435

EXCEPTION DATA:

APPROVED

DISAPPROVED

JUSTIFICATION FOR TELEPHONE (RD 81-08 WHO (DRSMI) APPROPRIATE BLOCK)

NECESSARY TO MEET SCHEDULED DEPARTURE DATE OF A VESSEL OR OTHER CARRIER.

NECESSARY TO MEET SCHEDULED DEPLOYMENT DATE FOR AN OPERATION FORCE.

NECESSARY TO MEET FIRM COMMITMENT FOR DELIVERY OF MATERIAL TO A COUNTRY PARTICIPATING IN INTERNATIONAL LOGISTICS PROGRAMS WHERE IT IS NECESSARY TO MEET A COMMITMENT DT.

EMERGENCY REQUIREMENTS FOR MEDICAL AND DENTAL SUPPORT.

REQUESTION OF PRIORITY SHIPMENT COMMITMENT AND CODE 998 IN CARD COLUMNS 82-84.

APPROVED

OFF-LINE:  DEPOT:  UNIT PRICE: 694-4315

NOTE: PRIORITIES 81 THRU 88 WILL BE ROUTED TO DRSMI-60. PRIORITIES 89 THRU 95 WILL BE ROUTED DIRECTLY TO DRSMI-SC.

ASSIGNED PRIORITY:

APPROVED

DISAPPROVED

SIGNATURE OF APPROVING AUTHORITY: [Signature]

~~UNCLASSIFIED~~

<b>REQUEST FOR SUPPLY ACTION</b>		D 9257
THRU: OASMI _____ ORSM _____	FROM: DRSM _____	DATE: _____
TO: ORSM _____	ITEM MANAGER'S ANAL-CD: 1171	PHONE: _____

	ORGAN UNIT IDENT	REGISTRY IDENT	MAG	NATIONAL STOCK NUMBER	UNIT OF MEAS	QUANTITY
				1410-01-007-2347		

REQ. NUMBER	DATE	SERIAL	SUPPLEMENTARY ADDRESS (INCL TO)	SQ CODE	FUND CODE	DIST CODE	PROJECT CODE	PRIORITY CODE
W 3 1 8 3 H	6.30.30	DA01	U.S. 1.6.3.6 M - A					

REQ. DEL. DATE	ADVISE CODE	DEPT REC FROM	PURP. CODE	CONG. CODE	IN-THE-CLEAR ADDRESS (INCL TO)
307		BAE A (N)			MARTEL TO BE SHIPPED TO AREA AT Redstone Arsenal, AL NAT 1400 H. FL 307. BC at Redstone Arsenal. COLLIER AU: 746-5701/41FS OR JAH COWARD AU: 746-40FS/707. IN-P CONTACTS SAME AS THIS AREA.

ADDITIONAL INFORMATION	UNIT PRICE
Special Project -	48764
	EXCEPTION DATA
	<input type="checkbox"/> APPROVED
	<input type="checkbox"/> DISAPPROVED

**JUSTIFICATION FOR TELEPHONE (PR 81-88 MFD) (CHECK APPROPRIATE BLOCK)**

- NECESSARY TO MEET SCHEDULED DEPARTURE DATE OF A VESSEL OR OTHER CARRIER.
- NECESSARY TO MEET SCHEDULED DEPLOYMENT DATE FOR AN OPERATION FORCE.
- NECESSARY TO MEET FIRM COMMITMENT FOR DELIVERY OF MATERIAL TO A COUNTRY PARTICIPATING IN INTERNATIONAL LOGISTICS PROGRAMS WHERE IT IS NECESSARY TO MEET A COMMITMENT DT.
- EMERGENCY REQUIREMENTS FOR MEDICAL AND CASUALTY SUPPLIES.
- REQUIREMENT CONTAINS PRIORITY 81-88 IN COLUMNS 88-91 AND CODE 888 IN CARD COLUMNS 83-84.

APPROVED                       DISAPPROVED

<input type="checkbox"/> OFF-LINE	MATERIAL ON RECORDS <input type="checkbox"/> DEPOT <input type="checkbox"/> WAREHOUSE	DEPOT CONTACT:	PHONE-EXT.
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NOTE: PRIORITIES 81 THRU 88 WILL BE ROUTED THRU DRSM-88 TO DRSM-80.  
PRIORITIES 89 THRU 96 WILL BE ROUTED DIRECTLY TO DRSM-80C.

ASSIGNED PRIORITY: <input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">DATE</th> <th style="width: 50%;">SIGNATURE OF APPROVING AUTHORITY</th> </tr> <tr> <td> </td> <td> </td> </tr> </table>	DATE	SIGNATURE OF APPROVING AUTHORITY		
DATE	SIGNATURE OF APPROVING AUTHORITY				

FORM 48764, 1 AUG 77 PREVIOUS EDITION IS OBSOLETE  
 30 JUL 85  
 E.O. 12958  
 Security Council

UNCLASSIFIED













*No Date*

*Actually Declassified/Released on 23 Oct 1987  
Under provisions of E.O. 12358  
by S. Rosen, National Security Council*

**UNCLASSIFIED**

U 21524

**PROSPECTS FOR IMMEDIATE SHIPMENT OF I-BANK and I-TOW MISSILES**

**I-BANK**

- There are 164 missiles available at Red River Arsenal--75 intended for OAS and 84 for Korea. The missiles have not yet been let acceptance tested, but there is a very low risk of failure. The missiles will be at Red River until about April 1986 for testing.
- There would be no impact on the OAS if we ship their 75 missiles. The program has slipped in other ways, and can be accommodated within the normal production lead time for replacement missiles.

*Wickham  
Ex.#8  
8/14/87 mas*

- Korea would have to be consulted to ascertain the impact on their program, if it is necessary to ship any missiles in addition to the 75 mentioned above. Procurement lead time to replace Korea's missiles would be about 33 months.

- To the best of our knowledge, all of U.S. Army I-BANKs are with units and should not be considered from diversion.

- Unit replacement price of BANK missiles is about \$437.7K; total package price for 30 would approximate \$22.3M; for 100 about \$45M. Package prices include FMS surcharges.

**I-TOW**

- Army has about [redacted] TOWs (including 40,000 I-TOW) on hand, against a distribution requirement of about [redacted]. About 12,900 I-TOW missiles are available in COMUSC depot stocks.

*EXHIBIT  
E-303-29*

- Based on the numbers, the impact on Army of shipping 3,000 I-TOWs immediately would be serious but not intolerable. No missiles would have to be taken from troops. Based on the seriousness of the requirement, and keeping in mind that the Army would receive TOW-II replacement missiles, it is likely that the Army would reluctantly acquiesce to immediate shipment of the entire quantity.

- Unit price of the replacement TOW-II missile is about \$12,200; total package price would approximate \$42M, with FMS surcharges

- Delivery from production of TOW-II pay back missiles to the Army would occur about the beginning of CY 1988. If necessary--though this is not recommended--approximately 2,000 unallocated TOW-II missiles could be delivered from SP47 to Army in second quarter CY 1987.

**UNCLASSIFIED**

1271

18 APR 86

**UNCLASSIFIED**  
DEPARTMENT OF THE ARMY

OFFICE OF THE DEPUTY CHIEF OF STAFF FOR OPERATIONS AND PLANS  
WASHINGTON, DC 20310



REPLY TO  
ATTENTION OF

DAHO-2A

EXHIBIT  
CW-23

18 APR 1986

MEMORANDUM FOR DIRECTOR, JOINT STAFF

SUBJECT: [REDACTED] System (U)

1. (S) The [REDACTED] System provides a single channel for requests for support from the Central Intelligence Agency to the Department of Defense. The system protects extremely sensitive information from both inadvertent and deliberate disclosure, allows for covert support to Agency operations worldwide, and insures adequate Service review of the requests.
2. (S) Recently, a number of requests involving transfer of high technology weapons, large quantities of limited, sophisticated missiles, and/or spares for low density weapons have bypassed the [REDACTED] System. These requests have been made by members of the Office of the Secretary of Defense directly to Service officials. [REDACTED] has either not participated or has done so after the fact.
3. (S) Requests which bypass the [REDACTED] System receive less Service and no Joint Staff scrutiny, yet may impact on the Service's warfighting capabilities. The Secretary of Defense should be made aware that using ad hoc channels to support the [REDACTED] may degrade security overall and impair national security.

CARL E. VUONO  
Lieutenant General, GS  
Deputy Chief of Staff for  
Operations and Plans

Declassify on: 17 JUL 2018  
under E.O. 13526 of 20. 72558  
By: B. Reagle, National Security Council

Wickham  
Ex. 9  
3/14/87 mas

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14 Feb '85

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A ZA OO SOA DE  
O 14 [REDACTED] FEB 00 ZYH  
FM USSOUTHCOM  
TO [REDACTED]

PNA-0409-14-FEB-85

CONFIDENTIAL  
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EYES ONLY//EYES ONLY//EYES ONLY//EYES ONLY//  
NIACT IMMEDIATED

FOR AMBASSADOR PICARDING (ND COL STEELE) FROM GEN GORMAN

SUBJECT: FELIX RODRIGUEZ (S)  
1. (C) I HAVE JUST MET HERE WITH FELIX RODRIGUEZ, [REDACTED] PENSIONER

FROM MIAMI. BORN IN CUBA, A VETERAN OF GUERRILLA OPERATIONS [REDACTED]

[REDACTED] HE IS OPERATING AS A PRIVATE CITIZEN, BUT HIS ACQUAINTANCESHIP WITH THE VP IS REAL ENOUGH, GOING BACK TO LATTER'S DAYS AS DCI.

2. (C) RODRIGUEZ' PRIMARY COMMITMENT TO THE REGION IS IN [REDACTED] WHERE HE WANTS TO ASSIST THE FDN. I TOLD HIM THAT THE FDN RESERVE IS HIS PRIORITY. I ALSO TOLD HIM THAT YOUR WORK WITH THE PRAL WAS ADVANCING WELL, AND THAT WE HAD MADE PROGRESS WITH TRAINING OTHER PATROL FORCES. I WARNED HIM THAT WHATEVER HIS CONSULTING ROLE IN THE FDN AMOUNTED TO, HE COULD NOT BECOME VISIBLE TO THE PRESS IN ANY SENSE WITHOUT DAMAGING OUR CAUSE THERE. I ALSO CAUTIONED THAT THE FDN IS A VERY MUCH MORE DELICATE ENVIRONMENT WITH RESPECT TO CIVIL-MILITARY RELATIONS AND RESPECT FOR HUMAN RIGHTS THAN ANY HE HAD OPERATED IN BEFORE.

3. (C) HE WILL WANT TO RLY WITH THE LSAP TO ESTABLISH HIS CREDIBILITY, BUT THAT BIT OF MACHISMO SEEMS TO ME BOTH UNNECESSARY AND UNWISE.

4. (C) MY JUDGMENT IS THAT HIS ADVICE WILL REINFORCE OURS, AND THAT WE SHOULD PUT NO OBSTACLES IN HIS WAY TO CONSULTING WITH BLANCON OR BUSTILLO UNLESS AND UNTIL WE GET COUNTERINDICATIONS. I RECOMMEND THAT JIM STEELE MEET WITH HIM [REDACTED] AND AMBASSADOR [REDACTED]

5. (C) I ALSO WANT TO INTERVIEW HIM, BUT OUR MAIN INTEREST IS, AS I SEE IT, TO INSURE WE KNOW WHAT HE IS TELLING BLANCON AND BUSTILLO VIA BRIEF AND OJT-BRIEF.

6. (C) ASSUMING YOUR APPROVAL, I WILL SEND RODRIGUEZ TO [REDACTED] COMMERCIAL, 15 FEB, ON ONE OF MY C-125. HE WILL ARRIVE AROUND 1100 LOCAL. HE IS A LONG-TIME FRIEND OF LOU RODRIGUEZ AND, IF AVAILABLE, WOULD APPRECIATE IT IF LOU COULD BE HIS CONTACT POINT. I ANTICIPATE HE WILL WANT TO DEPART FOR MIAMI ON SATURDAY.

DECLAS OADR  
SSO NOTE: DELIVER IMMEDIATELY.  
-Y22-

Partially Declassified/Released on 30 July 1987  
under provisions of E.O. 12356  
by B. Reger, National Security Council

UNCLASSIFIED

3180



*German*

**UNCLASSIFIED**

D 23180  
*File for me*  
*S*

BACK CHANNEL

Partially Declassified/Released on 30 July 1987  
under provision of E.O. 12356  
by B. Rager, National Security Council


ACTION: STATE RCI, IMMEDIATE  
USSOUTHCOM, IMMEDIATE

EYES ONLY FOR AFA MOTLEY AND JOHNSTONE; SOUTHCOM FOR GENERAL  
GORMAN FROM PICKERING

SUBJ: MEETING WITH FELIX RODRIGUEZ

1. I HAD A VALUABLE MEETING WITH FELIX RODRIGUEZ FEBRUARY 15.
2. HE HAS OUTLINED A TACTIC WHICH I BELIEVE HAS MERIT AND SHOULD BE TRIED OUT, VIZ:



OBVIOUSLY OTHER VARIATIONS ARE POSSIBLE, BUT WE WILL HAVE TO INTEGRATE  ISSUE AND HANDLE IT BETTER THAN EVER BEFORE IF IT IS TO WORK, SOMETHING I AGREE WITH ON ITS OWN.

3. RODRIGUEZ WILL RETURN IN 3-4 WEEKS TO WORK WITH BUSTILLO (FAS) AND STEELE. STEELE WILL MONITOR CLOSELY. RODRIGUEZ UNDERSTANDS MY GENERAL RULES -- NO CIVILIAN CASUALTIES AND HE IS NOT TO ACCOMPANY FAS ON COMBAT OPERATIONS AND AGREES. WE WILL START

*3055*

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D 23181

SLOWLY AND CAREFULLY TO SEE WHAT APPROACH CAN PPRODUCE. HE WILL  
TAKE ON HIGHER PRIORITY [REDACTED] MISSION FIRST.

4. FOR ARA: PLEASE BRIEF DON GREGG IN VP'S OFFICE FOR ME.

**UNCLASSIFIED**

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*Galvin*  
*15 JAN 86*  
*0396*

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20504

ACTION

January 15, 1986

307

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: OLIVER L. NORTH

*H 30632*

SUBJECT: Meeting with General Jack Galvin, USSOUTHCOM

You are scheduled to meet with General Jack Galvin on Thursday, January 16 from 10:30-11:00 a.m. General Galvin has some specific recommendations on future plans for more effective support to the Democratic Resistance Forces (DRF) in Nicaragua. In this regard, Elliott Abrahms advised today that Senator Dole is drafting a bill which will provide overt military support for the DRF. He reportedly has Senators Lugar, Bumpers, and Boren as co-sponsors and Senator Sam Nunn is considering whether or not to "sign-on."

General Gorman was and is an active proponent of a greater role for the Special Forces in training/advising both the Salvadoran military the DRF. General Galvin shares this belief. Both remain convinced that the CIA lacks the military expertise necessary to adequately train and advise the DRF in an appropriate strategy or even the proper tactics. Their concern is not unfounded. To this date, the CIA has been unable to produce a coherent military strategy, the tactics to support such a strategy, or to adequately train the force to accomplish either. Admittedly, some of the problem is because of our "on again-off again" Congressional restrictions. But, no small part of the problem is a lack of expertise in the paramilitary side of the CIA operations directorate.



Finally, General Galvin has asked that you agree to periodic (about once a month) meetings with you to discuss sensitive issues. You should be aware that General Galvin is cognizant of the activities underway in both Costa Rica and at [redacted] in support of the DRF. General Galvin is enthusiastic about both endeavors. I will be flying with General Galvin to Costa Rica after the meeting with a return Tuesday morning.

RECOMMENDATION

That you review the points above prior to your meeting.

Approve \_\_\_\_\_

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**SECRET**

*JOOF Box 23*  
*4/16*

Partially Declassified/Released on 24 Jan 88  
under provisions of E.O. 12356  
by K. Johnson, National Security Council

*5764*

ZINK, GREGORY. See CLARK, ALFRED.









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