

Ronald Reagan Presidential Library Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: Culvahouse, Arthur B.: Files
Folder Title: Iran/Arms Transaction:
Congressional Material: House/Senate Joint
Hearings (05/30/1987-06/02/1987)
Box: CFOA 1130

To see more digitized collections visit:

<https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories visit:

<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: reagan.library@nara.gov

Citation Guidelines: <https://reaganlibrary.gov/citing>

National Archives Catalogue: <https://catalog.archives.gov/>

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name CULVAHOUSE, ARTHUR B.:FILES

Withdrawer

DLB 2/28/2014

File Folder IRAN/ARMS TRANSACTION: CONGRESSIONAL
MATERIAL: HOUSE/SENATE JOINT HEARINGS
(05/30/1987-06/02/1987)

FOIA

S643

Box Number CFOA 1130

SYSTEMATIC

90

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
164535	PAPER	EXCERPTS OF NOTES ON CENTRAL AMERICA MEETING IN SITUATION ROOM ON MAY 16, 1986	9	ND	B1
164536	MEMO	WILLIAM LYTTON TO CULVAHOUSE, RE: JOE FERNANDEZ (AKA THOMAS CASTILLO) TESTIMONY MAY 29, 1987 (EXECUTIVE SESSION)	2	5/31/1987	B1
164537	MEMO	WILLIAM LYTTON TO CULVAHOUSE, RE: TESTIMONY OF LTCOL ROBERT L. EARL; TELEPHONE CONVERSATION BETWEEN THE PRESIDENT AND LTCOL OLIVER NORTH ON NOVEMBER 25, 1986	3	6/2/1987	B1
164538	TESTIMONY	MARKED "EARL DEP #1", P. 45-46	2	ND	B1
164539	TESTIMONY	DUPLICATE OF 316528; MARKED "EARL, DEP #2" P. 145-148	4	ND	B1
164540		NUMBER NOT USED			

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

→ABC

THE WHITE HOUSE

WASHINGTON

UNCLASSIFIED WITH ~~SECRET~~ ATTACHMENT

at 2/27/14

May 30, 1987

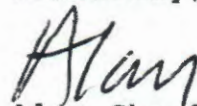
Dear Mark:

As we discussed, I am enclosing a copy of your "Excerpts of Notes on Central America Meeting in Situation Room on May 16, 1936, Among" We have redacted a few especially sensitive intelligence and foreign relations matters contained in the excerpts you prepared and, to avoid confusion, we have also indicated in a number of places where there are gaps in the excerpts. These excerpts remain classified at the SECRET level.

As with the Tambs deposition, the document remains classified in full and may not be entered into the public record. Pursuant to our discussions, however, the inter-agency committee has reviewed the excerpts and redacted only the most sensitive portions. The unredacted portions may be referred to (but not quoted) by the Committee as necessary to formulate questions and to refresh the witness' recollection during examination by the Committee.

We appreciate your cooperation.

Sincerely,



Alan Charles Raul
Associate Counsel to
the President

Mark A. Belnick, Esq.
Executive Assistant to
the Chief Counsel
Select Committee on Secret
Military Assistance to Iran
and the Nicaraguan Opposition
United States Senate
Washington, D.C. 20510

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

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

CULVAHOUSE, ARTHUR B.:FILES

Withdrawer

DLB 2/28/2014

File Folder

IRAN/ARMS TRANSACTION: CONGRESSIONAL MATERIAL:
HOUSE/SENATE JOINT HEARINGS (05/30/1987-06/02/1987)

FOIA

S643
SYSTEMATIC

Box Number

CFOA 1130

90

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
164535	PAPER EXCERPTS OF NOTES ON CENTRAL AMERICA MEETING IN SITUATION ROOM ON MAY 16, 1986	9	ND	B1

The above documents were not referred for declassification review at time of processing
Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

db 1/29/14
THE WHITE HOUSE

WASHINGTON

June 1, 1987

MEMORANDUM FOR THE PRESIDENT

FROM: ARTHUR B. CULVAHOUSE, JR. 
COUNSEL TO THE PRESIDENT

SUBJECT: Summary of Iran/Contra Hearings
for May 29, 1987

Attached is a summary of the testimony on Friday by Thomas Castillo, the CIA Station Chief in Costa Rica.

The hearings will resume on Tuesday, June 2, at 9:30 a.m. Scheduled to testify in open session will be Elliott Abrams, Assistant Secretary of State for Inter-American Affairs.

Attachment

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

CULVAHOUSE, ARTHUR B.:FILES

Withdrawer

DLB 2/28/2014

File Folder

IRAN/ARMS TRANSACTION: CONGRESSIONAL MATERIAL:
HOUSE/SENATE JOINT HEARINGS (05/30/1987-06/02/1987)

FOIA

S643
SYSTEMATIC

Box Number

CFOA 1130

90

<i>ID</i>	<i>Document Type</i>	<i>No of</i>	<i>Doc Date</i>	<i>Restric-</i>
	<i>Document Description</i>	<i>pages</i>		<i>tions</i>

164536 MEMO

2 5/31/1987 B1

WILLIAM LYTTON TO CULVAHOUSE, RE: JOE
FERNANDEZ (AKA THOMAS CASTILLO)
TESTIMONY MAY 29, 1987 (EXECUTIVE SESSION)

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

~~TOP SECRET~~

ds 2/27/4
UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

CLASSIFIED MATERIAL

CULVAHOUSE

87-TF-0043

Copy No. 1

June 2, 1987

CLASSIFIED MATERIAL

~~TOP SECRET~~

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

CULVAHOUSE, ARTHUR B.:FILES

Withdrawer

DLB 2/28/2014

File Folder

IRAN/ARMS TRANSACTION: CONGRESSIONAL MATERIAL:
HOUSE/SENATE JOINT HEARINGS (05/30/1987-06/02/1987)

FOIA

S643

SYSTEMATIC

Box Number

CFOA 1130

90

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
164537 MEMO	WILLIAM LYTTON TO CULVAHOUSE, RE: TESTIMONY OF LTCOL ROBERT L. EARL; TELEPHONE CONVERSATION BETWEEN THE PRESIDENT AND LTCOL OLIVER NORTH ON NOVEMBER 25, 1986	3	6/2/1987	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

CULVAHOUSE, ARTHUR B.:FILES

Withdrawer

DLB 2/28/2014

File Folder

IRAN/ARMS TRANSACTION: CONGRESSIONAL MATERIAL:
HOUSE/SENATE JOINT HEARINGS (05/30/1987-06/02/1987)

FOIA

S643

SYSTEMATIC

Box Number

CFOA 1130

90

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
164538	TESTIMONY MARKED "EARL DEP #1", P. 45-46	2	ND	BI

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

CULVAHOUSE, ARTHUR B.:FILES

Withdrawer

DLB 2/28/2014

File Folder

IRAN/ARMS TRANSACTION: CONGRESSIONAL MATERIAL:
HOUSE/SENATE JOINT HEARINGS (05/30/1987-06/02/1987)

FOIA

S643

SYSTEMATIC

Box Number

CFOA 1130

90

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
164539	TESTIMONY DUPLICATE OF 316528; MARKED "EARL, DEP #2" P. 145-148	4	ND	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

NAME: HIR126000

PAGE 135

2897 that was received.

2898 Mr. NIELDS. I take it there was a telephone call received
2899 while you were there?

2900 Mr. SECORD. Yes.

2901 Mr. NIELDS. For whom?

2902 Mr. SECORD. The call came in for--there were two phone
2903 calls that came in for Colonel North. One call was from the
2904 President. I didn't realize it was the President for a few
2905 seconds until I saw him stand up at attention. He is a good
2906 Marine, you know.

2907 And he said, "Yes, Mr. President. Yes, Mr. President.

2908 Thank you very much, Mr. President."

2909 And then he said that I am just sorry it had to end this
2910 way; I was trying to serve you the best way I knew how, Mr.
2911 President.

2912 I said, "Let me have the phone", but it was too late.
2913 He hung up.

2914 I wasn't fast enough.

2915 Mr. NIELDS. What was it you wanted to tell the President?

2916 Mr. SECORD. I wanted to tell the President that I would
2917 like to see him and try to bring some rationality back into
2918 this matter. There is no reason to back away from these
2919 operations. I mean, maybe there were mistaken judgments
2920 taken in the policy, maybe not. I happen to think that it
2921 was a good policy.

2922 It was worth the try. But in any case, once you have made
2923 a decision like this to back away from it is a terrible
2924 mistake in my judgment. They are defensible. The American
2925 people would understand the rationale that underlies such a
2926 policy. We have done nothing wrong, moreover, in trying to
2927 privately support the contras.

2928 We have not broken any law, especially we have not--we were
2929 assiduous in making sure that we didn't violate any law
2930 pertaining to the contras, and I have in mind the Boland
2931 Amendment when I am speaking of this.

2932 The Iranian initiative was completely legal. Lawyers
2933 worked on that as hard as they could. We made some progress
2934 in both areas. Some credit could be taken, it seemed to me.

2935 So my advice would have been let's stake out our position;
2936 don't cut and run.

2937 But I didn't get a chance to make that kind of a speech.
2938 I have made it now.

THE WHITE HOUSE

TAB 4

WASHINGTON

PAGE ONE

TELEPHONE MEMORANDUM

E. S. T.
PRESIDENT

NOVEMBER 25th, 19__

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	2:16 AM	2:20	THOUSAND OAKS MEAT LOCKER ONE THOUSAND OAKS, CALIF. 805 495-3211	SPOKE WITH DION MACHELL. TALKED OK.
INC	PM			
OUT	2:32 AM	2:37	MR. & MRS. NAT ROBINSON RESIDENCE: LOS ANGELES, CALIF. 213 475-5530	TALKED OK 2:36 P. M.
INC	PM			
OUT	2:38 AM	2:46	MR. EFREN ZIMBALIST, JR. RESIDENCE: VAN NUYS, CALIF. 818 788-0762	TALKED OK
INC	PM			
OUT	3:29 AM		SENATOR PETE WILSON FRESNO, CALIFORNIA 209 485-5000 ext. 804	SPOKE WITH DOTTIE DELLINGER. READY HOLD 7:24 PM.
INC	PM			
OUT				PRES. REAGAN NOT AVAILABLE. PER KATHY OSBORNE.
INC	PM			
OUT	4:12 AM	4:28	MR. MAX HUGEL RES: BELLE HARBOR, FLORIDA 305 864-3219	OUT OF OFC. READ HOLD, 4:16 PM. TALKED OK 4:26 P
INC	PM			
OUT	4:13 AM	4:19	MRS. RUTH MARSH RES: NORTH HOLLYWOOD, CALIF. 818 761-3750	TALKED OK
INC	PM			
OUT	4:15 AM	4:22	MR. DON T. REGAN OFFICE: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 686	TALKED OK 4:20PM.
INC	PM			
OUT	5:02 AM	5:04	VICE PRES. GEORGE BUSH OFFICE: WASHINGTON, D.C. WHITE HOUSE ADMIN. EXT. 621	TALKED OK
INC	PM			
OUT	6:43 AM	6:45	COL. OLIVER NORTH OFFICE: WASHINGTON, D.C. 448 1234 ext. 2303	TALKED OK
INC	PM			
OUT	6:53 AM	6:56	MRS. NANCY REAGAN PHOENIX, ARIZONA 602 956-9192	TALKED OK
INC	PM			

Reagan Phoned Lt. Col. North With Gratitude

By Robert G. Kaiser
and David Ignatius
Washington Post Staff Writers

President Reagan Tuesday night telephoned Lt. Col. Oliver L. North, fired by the White House earlier that day, and thanked him for his service to the administration, friends of North said yesterday.

Nevertheless, these sources said, North was angry and concerned about his personal finances after his dismissal from the National Security Council staff for his role in secret arms sales to Iran and diversion of profits from those sales to Nicaraguan rebels.

"They threw him to the wolves," said a close friend who has worked with North in the past. This source and an official on the NSC staff said that Reagan announced North's firing in the White House press room Tuesday before anyone had told North he was to be dismissed.

"Nobody told him," the NSC official said. Moreover, this source added, North had submitted his resignation to Reagan Monday, so he was particularly angry to see the president tell a televised press briefing that he had been relieved of his White House duties. As a member of the NSC staff, North had a hand in many of the administration's most adventuresome policies.

These sources also said that on Tuesday morning, North had been called into a White House meeting attended by the president, Attorney General Edwin Meese III, Vice Adm. John M. Poindexter, who resigned Tuesday as national security adviser to the president, and perhaps other officials, to discuss what to do about the fact that money from secret arms sales to Iran had been diverted to the contra rebels fighting Nicaragua's Sandinista government.

The senior officials present at that meeting told North "they would reach a decision," one friend of North said, and that was the last word the Marine officer heard until he saw Reagan announce his dismissal on television.

White House officials with the president in Santa Barbara, Calif., disputed this ac-

count last night, saying they were sure North had been told before Reagan went on television that he was to be dismissed. These officials said they did not know of Reagan's phone call to North, but said it was a characteristic Reagan gesture and they did not doubt that he made the call.

North has been in the Marines for about 18½ years, and thus is not eligible for a military pension if he retires from active duty now. His friends said this was a particular source of anxiety for North, a father of four who has no means of support other than his Marine salary. The Associated Press quoted unidentified Pentagon officials yesterday as saying North might seek a medical discharge on the basis of Vietnam war wounds, which would entitle him to a pension.

North could not be reached for comment yesterday.

North's role in the burgeoning Iran-

contra crisis was a source of animated discussion among his friends and former colleagues in the White House yesterday, many of whom privately expressed skepticism that North would do anything without

"He would consider it a measure of his manhood and his worth to tough it out."

— former colleague of North

the authorization of his superiors.

North has many admirers among conservative activists who insisted that he would never undertake without proper authorization free-lance activities that might embar-

ass the administration. In the past, his former boss at the NSC, Robert C. McFarlane, has praised North lavishly and insisted that all his activities, particularly in helping the contras, were legal and authorized.

One former colleague said yesterday that North "would walk off any plank for the cause." This source predicted that even if North felt he had been made a fall guy for others in the administration, he would refuse to turn on his former bosses. "He would consider it a measure of his manhood and his worth to tough it out," this former colleague said.

Newsweek magazine this week reported that North had told a friend before he was fired: "If somebody has to take the fall, I'm willing to do it, but I haven't done anything wrong."

Meese said Tuesday that North was the only official in the entire Reagan administration who "knew precisely" that clandestine arms sales to Iran, arranged with im-

portant help from Israel, had produced profits that were diverted, through Swiss bank accounts, to aid the contra rebels. Meese did not explain how a Marine lieutenant colonel acting on his own could persuade either Iranians or Israelis to take the risks involved in such dealings, or how he could singlehandedly organize such complex transactions.

North was particularly close to McFarlane, who had retired from the Marines as a lieutenant colonel before becoming a staff assistant on Capitol Hill. On the day last December when McFarlane announced to his staff that he was leaving the job of national security adviser, two sources said, McFarlane emotionally embraced North in front of all their colleagues.

Poindexter was also close to North and held him in high regard, former colleagues said.

'What Did They Know; When Did They Know It?'

By MICHAEL WINES and DOYLE McMANUS, Times Staff Writers

WASHINGTON—Like the stain of an oil spill, the Iranian arms-and-hostages deal and the diversion of profits from it to help the Nicaraguan rebels has spread across the Reagan Administration until—directly or indirectly—it now touches almost every senior government official concerned with national security and foreign policy.

And once again the painfully familiar questions are being asked by FBI and congressional investigators: "What did they know, and when did they know it?"

Those questions, etched in America's psyche by Watergate more than a decade ago, now are being asked about men who hold some of the most critical positions of trust in the nation: top White House officials, the secretaries of state and defense, the attorney general, the President's national security adviser, the director of the CIA—even President Reagan and Vice President George Bush themselves.

The questions already have figured prominently in the presidentially ordered inquiry by Atty. Gen. Edwin Meese III, an investigation that led last week to the resignation of Vice Adm. John M. Poindexter as Reagan's national security adviser and the firing of Lt. Col. Oliver L. North from the National Security Council staff.

In the nearly four weeks since the Iranian arms affair began un-

raveling, and in the week since Meese disclosed that proceeds from arms deals had been funneled to the Nicaraguan *contras*, some answers have begun to emerge. Here is an account of what has become known about the involvement of key officials, their roles in the growing controversy and the questions that remain.

President Reagan

Last Jan. 17, Reagan secretly signed a national security "finding" that waived the existing embargo and authorized direct U.S. arms shipments to Iran as part of a "secret initiative" that he says was intended to improve relations with Iran, bring a negotiated end to the Iran-Iraq War, reduce terrorism and help free American hostages in Lebanon. The document ordered the CIA to take part but not inform Congress.

At that time, there had already been at least two shipments of U.S. arms by Israel in 1985, and Meese said last Tuesday "The President did not have full knowledge of all the aspects of the transactions that took place prior to the [Jan. 17] finding."

The President was informed generally that there had been an Israeli shipment of weapons to Iran some time during the late summer, early fall of 1985, Meese said. "Our information is that the President knew about it, probably after the fact, and agreed . . . with the general concept of continuing our discussions with the Israelis concerning these matters."

In the late summer of 1985, an Administration source has told The Times, Reagan had been told by Robert C. McFarlane, then his national security adviser, that Israel was willing to help the Administration make contact with so-called Iranian moderates who would use their influence with terrorists holding U.S. hostages in Lebanon in return for a "good-faith" arms shipment.

According to this source, Reagan then ruled out any arms-for-hostages swap. The Washington Post quoted other sources as saying that Reagan agreed it was worthwhile to explore the possibility of establishing contacts with the Iranian moderates.

As for the eventual diversion of profits from Iranian arms deals into Swiss bank accounts for use by the *contras*, Reagan said last Tuesday: "I was not fully informed. . . ."

There was no question, however, that Reagan wholeheartedly supported efforts to keep aid flowing to the *contras* in the face of a congressional cutoff of federal funding. Last March 22, for instance, he told rebel leaders visiting the White House that they represent "the future of Central America" and vowed that his Administration would "spare no effort and give no ground in supporting the democratic resistance in Nicaragua."

And last October, Reagan said that while "there is no government connection" to a supply plane shot down in Nicaragua, "we've been aware that there are private groups and private citizens that have been trying to help the *contras*. . . . We're in a free country where private citizens have a great many freedoms."

Meese said the President did not know of the Iran arms-*contras* connection until last Monday, when the attorney general reported to him on the preliminary findings of an inquiry that Reagan had ordered three days before. The President, in announcing the departures of Poindexter and North, said the funds diversion "raises serious questions of propriety."

"I believe our policy goals toward Iran were well-founded," Reagan said. "However, the information brought to my attention yesterday [Monday, Nov. 24] convinced me that in one aspect, implementation of that policy was seriously flawed."

Vice President George Bush

"No role in it," the Vice President said Saturday when reporters caught up with him while he was jogging and pressed for details of his involvement. Besides a silver sweat suit, Bush wore a pained expression—and his clipped comment is not likely to be the last word on his part in the mushrooming controversy.

As a former CIA director who headed the Administration's study of U.S. efforts to combat terrorism, Bush has been described as being at the forefront of national security policy during his six years as vice president.

Aides have acknowledged that Bush, as a member of the National Security Council, attended White House meetings last December and January when the Iranian arms shipments were discussed as part of Reagan's secret initiative. It is not known whether he attended the meeting at which Reagan decided to sign the pivotal Jan. 17 "finding."

According to Administration sources, Bush was briefed regularly by North on at least some aspects of the NSC aide's operations in both the Middle East and Central America, but the Vice President's spokesmen have insisted that he "had no knowledge" of the diversion of funds from the Iranian arms deals to the *contras*.

Like Reagan, Bush was an active supporter of private efforts to aid the *contras*. Specifically, he has acknowledged ties to Cuban-born CIA veteran Felix Rodriguez, who helped run the secret rebel airlift operation from an El Salvador military air base.

Bush has said that he met three times with Rodriguez, but he said that they talked only about El Salvador. Sources have said the Vice President recommended to Salvadoran officials that they hire Rodriguez as an adviser, and Rodriguez has told associates that he reported frequently on his activities to Donald Gregg, Bush's national security aide.

184

Donald T. Regan

Since taking charge of the White House staff in January, 1985, Regan has taken special and public pride in his role as a hands-on overseer of policy machinery. That reputation now looms large as he struggles both to defend the Iranian arms debacle and to explain his contention that he and the President knew nothing of its most scandalous element: the funneling of millions to the Nicaraguan contras.

It is a difficult task. Regan has stated publicly that he was present at every White House session at which the secret Iranian operation was discussed. And a number of officials, in interviews, stress that Regan made a point of being informed of all other NSC policies and operations run by national security adviser Poindexter.

Moreover, The Times reported last week that Lt. Col. North, the Poindexter aide accused of conducting the National Security Council's secret operation to divert funds from Iranian arms sales to the contras, has told associates that he briefed Regan in full on the operation from its inception or its early stages. Separately, United Press International quoted an anonymous White House official as claiming that Regan had much the same knowledge.

Regan called those reports "ludicrous."

George P. Shultz

Starting with the first public disclosure of the Iranian arms shipments Nov. 4, Shultz has portrayed himself as the leading opponent of the plan within the Administration.

Shultz says he attended two "full-scale discussions" of U.S. policy toward Iran last December and January and, at the time, opposed the arms sales. But he has insisted he knew very little about the execution of Iran policy following the second of the meetings on Jan. 7, and a senior State Department official said Shultz was not informed when Reagan's signed the Jan. 17 "finding."



Associated Press

George Shultz

the complex arms trade.

If Shultz knew about the actual arms sales before the story leaked out, there is no evidence to show that he did anything to stop it.

According to the official State Department spokesman, no one in the department from Shultz on down knew anything about the diversion of funds to the Nicaraguan contras.

Lt. Col. Oliver L. North

The man in the eye of the hurricane is a career Marine whose modest job title—a deputy director of the National Security Council's political-military affairs office—belied his sweeping White House role.

North, 43, is a decorated Vietnam veteran—a workaholic whose unbridled zeal for tough anti-Communist policies drew White House attention early in the President's first term. In August, 1981, North joined the NSC staff, where he was soon involved in planning such bold military strokes as the 1983 Grenada invasion, the 1985 bombing of Libya and the October, 1985, interception of an Egyptian airliner that carried the Middle Eastern kidnappers who had hijacked the cruise ship Achille Lauro. Those jobs, however, were but groundwork for North's most spectacular role.

One Administration admirer explained North's value succinctly: "He produces. If a memo to the President needs to be drawn up, he can do it and do it first. If there's an important need to meet with Poindexter . . . Ollie gets it done. That's because he's not a bureaucrat."

That can-do ability led North to get two other top White House assignments in late 1984: building a network of private support for the contras after Congress barred all U.S. military aid and helping quell international terrorism.

Sometime in 1985, North and McFarlane—using weapons for Iran's costly and long-running war with Iraq as a lure—secretly began courting "moderates" in the Muslim fundamentalist regime of the Ayatollah Ruhollah Khomeini, apparently seeking a U.S. foothold with Khomeini's possible successors and freedom for American hostages. Along the way, sources say North signaled White House approval for at least one arms shipment by Israel in August, 1985, even though the President at that point had rejected such a move. Last January, Reagan assented to secret U.S. arms shipments to Iran and ordered the CIA to organize the secret transfers with the NSC. North, the White House point man for the operation, maintained a private conduit to McFarlane's and later to Poindexter's office—outside the normal NSC communications system—to keep higher-ups advised of progress.

Then in late 1985 or early 1986, sources say, North hit upon what one called a "brilliant, if twisted" idea: He would finance the contras' war with profits from the sale of overpriced arms to Iran. "It was Ollie's idea," one source said. "He tried to do the driving."

Via a still-uncharted network of intermediaries in Israel and elsewhere, Iran was charged millions more than the Pentagon price for Hawk anti-aircraft missiles, TOW anti-tank missiles and other weaponry; the excess was skimmed off, and the \$10 million to \$30 million that remained after commissions to arms merchants and others was placed in Swiss bank accounts for the contras.

North plotted the arms-for-hostages swaps in meetings in Europe and elsewhere, and was on the May, 1986, mission to Tehran with McFarlane during which American representatives met Iranian moderates face to face. The arms-and-hostages deal led to the release of three U.S. hostages held by terrorists in Lebanon, but three more Americans were kidnapped last summer.

North's decisive role in the arms sales was exposed in early November, and Administration officials stoutly defended the Iranian overtures as a calculated gamble that simply went awry. But when an internal autopsy of the affair by Meese turned up the Iran-contras link last week, **Reagan fired North—then telephoned thanks for his services and later called him "a national hero."**

Only later was the President told that North was believed to have shredded documents the weekend before he was fired—documents that might have blueprinted the scope of Administration involvement in the cash-skimming operation.

North is reliably reported to have told others that all his actions, including the cash-skimming operation, were approved by Poindexter, McFarlane and Regan. Poindexter and McFarlane have admitted some early knowledge of the contras deal, but Regan has denied knowing about it.



United Press International

Oliver North

234

At last Tuesday's White House briefing, Meese was asked about legal opinions he had given on the Iran arms shipments. "The only legal opinion that was involved had to do with the routine concurrence, with the (President's national security) finding of January 1986," Meese replied. "That's the only legal advice that was asked for or that was given."

A Justice Department official said Sunday that what Meese, who is also a member of the NSC, concurred in was actually legal advice from the CIA's general counsel that a delay in notifying Congress was permitted because lives were at stake. "He first learned of it (arms shipments to Iran) at that (January) meeting," said the Justice Department spokesman, Patrick S. Korten, who said he did not know the exact date.

A Justice Department official said Meese discovered that Iranian arms proceeds had been funneled to the contras only three days before he announced it on national television. On Nov. 20, Meese and Asst. Atty. Gen. Charles J. Cooper were reviewing legal issues involved in congressional testimony by Administration officials the Iran situation.

When they discovered gaps in the information held by various White House officials, Meese won Reagan's approval to assemble a small team of about four trusted Justice Department officials—all highly conservative political appointees with little or no experience in criminal law—to make inquiries. Working through the weekend, the investigators "discussed" the matter with, among others, the President, Shultz, Weinberger, Regan, Casey, Poindexter, North and McFarlane, according to the Justice Department official.

The team, reviewing records of the Iranian arms sale, came upon the link to the contras on Saturday. Meese presented that information to Reagan on Monday, one day before Poindexter resigned and North was fired.



Edwin Meese

Associated Press

Caspar W. Weinberger

Like Shultz, Reagan's defense chief was an early opponent of arms sales to Iran. But Weinberger, described by one aide as "a good soldier," apparently later played a role in the arms transfers and, since the disclosures, has expressed his support of the President.

According to several Pentagon sources, Weinberger first made his opposition known in July, 1985, when an NSC staff memo reached his desk raising the possibility of shipping unspecified military equipment to Iran as part of a U.S. effort to improve relations with Tehran. Sources said Weinberger wrote in the margin of the memo, "This is almost too absurd for comment."



Reuters

Caspar Weinberger

Still later, after Reagan signed the Jan. 17 order formally waiving the Iran arms embargo, Weinberger is said by sources to have "facilitated" the transfer of missiles and spare parts from Pentagon stockpiles to the CIA for direct shipment to Iran. While he has avoided public comment on the controversy, Weinberger's aides have insisted he knew nothing about the transfer of part of the proceeds to aid the contras.

Later, in meetings at the White House, Weinberger joined Shultz in urging that the proposal be killed, the sources said, and for a while thought he had succeeded. But, according to Newsweek magazine, Weinberger told aides in September, 1985 to secretly prepare to ship U.S. arms to Israel to replace material being sent to Iran by the Israelis, indicating that he was complying with a presidential order. The Pentagon denied Newsweek's account.

Robert C. McFarlane

Reagan's former national security is, like North, a Marine from Texas who prefers action to pencil pushing. His two-year tenure in the top NSC job was marked by military forays including the Navy's October, 1983, shelling of Lebanon and the Grenada invasion.

Unlike North, however, McFarlane also considered himself a shaper of world political strategy, and it is in that vein that he is said to have promoted and then

spearheaded the secret overtures to Iran. But his exact role remains shadowy at best, for McFarlane disclaims responsibility for—and comment on—much of the disastrous venture even though it was born and carried out under his direction.

He is said to have first seriously considered plans for a secret U.S. initiative directed at Iranian moderates in mid-1985, six months before quitting his post as national security adviser in December. One account suggests that his interest in Iran was stirred by the former director general of the Israeli foreign service,



United Press International

Robert C. McFarlane

David Kimche, who carried a message from Iranian moderates. Another says the Iran operation was conceived by McFarlane, North and North's NSC boss, Howard Teicher, in 1985 discussions with terrorism experts, Israeli government officials, Iranian intermediaries and other U.S. officials.

One news account citing McFarlane and sources "familiar" with his thinking casts McFarlane as consistently opposed to secret arms trading with the Iranians. But others say a blue-

print for an Iranian initiative—including secret arms shipments—was presented to Reagan, with McFarlane's backing, in July, 1985.

Reagan rejected that proposal. Israeli government officials, speaking anonymously, claim that McFarlane or his office nevertheless gave approval for at least two shipments of U.S.-made weapons that were sent to Iran in August and November, 1985.

McFarlane has effectively disavowed any link to the Iran arms-for-hostages dealings between the crucial months of September, 1985, and April, 1986—well after his December, 1985, resignation from the top NSC post. Two news accounts, apparently based on interviews with McFarlane, claim that he was asked in March or April by his White House successor, Poindexter, to fly secretly to Tehran with North, Teicher and others for talks with Iranian moderates. The trip was undertaken in late May, 1986.

White House officials have said little about how much McFarlane knew of the Iran arms deals and the cash-skimming operation that benefited the contras. Atty. Gen. Edwin Meese III said McFarlane was told of the contras link by North last May, during the Tehran trip. McFarlane, in a prepared statement, said he never mentioned the revelation to others in the U.S. government because he assumed that North had told them about it. But North is said to have told associates that McFarlane knew of and approved all aspects of the Iranian dealings.

John M. Poindexter

McFarlane's successor in December, 1985, was portrayed initially as a bookish admiral who would do his bosses' bidding and make no bold policy strokes of his own. Whether that portrait was accurate is now a signal issue in the unfolding scandal.

Poindexter was second-in-command at the National Security Council when McFarlane left in December, 1985, reportedly amid differences with Reagan over control of the national security agenda. When Poindexter succeeded McFarlane, a government official says, "unfettered NSC access to the President ceased."

What remains unanswered is when Poindexter learned of key elements of the Iran undertaking and what he told—or concealed from—the President or Reagan.

Poindexter is reported to have sat in on some 1985 discussions of proposals to establish a beachhead with Iranian moderates, and at least part of the Iran arms policy appears to have been in place and operating by the time he replaced McFarlane.

Poindexter had been national security adviser for several weeks when he attended a January meeting in the White House that led Reagan to involve the United States directly in covert arms shipments to Tehran. And he is reported to have voted with the majority—over the sole objection of Defense Secretary Caspar W. Weinberger—to urge that Reagan sign a secret directive lifting the U.S. arms embargo against Iran and ordering the CIA to aid in the arms shipments without telling Congress, as it is normally required by law to do. Shultz, who also opposed the idea, had been excluded from the decision meeting.

White House officials, including Poindexter himself, maintain in background briefings with reporters that he was fully aware of the covert arms shipments after Reagan signed the January "finding."

But not until last Tuesday, when the cash-skimming operation was revealed, was it disclosed—by Meese—that Poindexter was "generally" aware of the Iran-contras link but "did not look into it further."

That was enough to push the admiral into resigning his post last Tuesday. Since then, no one has explained what Poindexter's "general" knowledge of the cash-skimming operation included, when that knowledge was acquired or what if anything Poindexter did about it.

North is said to have told associates that Poindexter knew of and approved the operation from its beginning.

William J. Casey

Casey and the CIA were in the thick of the secret operation to sell arms to Iran. Meese described the CIA as "the agent" for the U.S. government in most of the deal. The CIA bought the weapons from the Pentagon, arranged to ship them to Iran and took payment through its own Swiss bank accounts.

Casey and his agency have flatly and repeatedly denied taking part in—or even knowing about—the other part of the scheme, skimming arms profits for the contras. And Meese said last week that "to the best of our knowledge, no one in the CIA knew about it."

Two issues are involved: How could the CIA have been so intimately involved in the arms transfers without noticing that Iran was paying far more for the weapons than the United States was receiving? And



Associated Press

John Poindexter



Associated Press

William Casey

why did the agency fail to investigate fully the source of the contras' new funding—which Administration sources say CIA operatives discovered but did not investigate when a substantially expanded air cargo system was put in place at a time when Congress had halted U.S. military aid?

Casey briefed the House and Senate intelligence committees on these issues Nov. 21 and told them the CIA had set up Swiss bank accounts to receive the about \$12 million that the United States charged Iran for the weapons. But he told the committees that he was unable to give them a full accounting of the money trail. The House Intelligence Committee demanded a full accounting, and four days later Meese announced that he had discovered where the profits went.

Casey also told the committees that a retired CIA officer, George Cave, was recalled by the agency to oversee the arms-and-hostages operation and was aboard the aircraft that took McFarlane to Tehran in May. And Casey said the CIA directly managed five arms shipments to Iran: one in 1985, before President Reagan authorized the deal, and four in 1986, after Reagan approved the plan. But he insisted that neither he nor anyone else in the agency knew where the money had gone.

Sources say the CIA held back from pursuing the money trail for two reasons: A full inquiry might violate restrictions against CIA surveillance of U.S. citizens, and there was little enthusiasm for investigating an effort so closely in accord with the President's expressed feelings.

Times staff writers Norman Kempster, Ronald J. Ostrow and Gaylord Shaw also contributed to this article.

74TH STORY of Level 1 printed in FULL format.

Proprietary to the United Press International 1986

December 3, 1986, Wednesday, BC cycle

SECTION: Washington News

LENGTH: 498 words

DATELINE: WASHINGTON

KEYWORD: North

BODY:

A White House spokesman denied Wednesday that Marine Lt. Col. Oliver North, who was fired from the National Security Council staff because of the Iran-Contra scandal, briefed President Reagan on a regular basis in the Oval Office.

Deputy press secretary Larry Speakes was asked to respond to a report that North told his church group he briefed Reagan twice a week.

"Ollie North did not brief the president," Speakes said. "There were very few times when Oliver North was in the Oval Office."

Speakes said that when North did see Reagan, it was "with a group."

But some NSC staffers insist that he was a frequent visitor to the Oval Office along with Vice Adm. John Poindexter, the national security adviser, when Reagan was being briefed on a military or foreign policy matter.

A few hours after he fired the deputy national security assistant on Nov. 25, Reagan telephoned North at his home to thank him for his services.

The following day, the president telephoned Time magazine columnist Hugh Sidey and told him that North was a "national hero," and his only fault was that he had not kept Reagan "fully informed."

Attorney General Edwin Meese said North is the only NSC staffer who had precise information regarding the skimming of funds from the secret sale of arms to Iran to finance military support for the Nicaraguan rebels.

North reportedly took the Fifth Amendment to avoid self incrimination on advice of his lawyer when he appeared before the Senate Intelligence Committee Monday. There also are reports that Poindexter, who has resigned because of the scandal, also refused to testify before the committee.

Speakes said he understood Poindexter had only a short time to hire a lawyer. He said the White House advised the committee last week it would not object to former national security adviser Robert McFarlane, Poindexter or North testifying "consistent with the advice of their private counsel."

McFarlane testified Monday in a marathon session.

North orchestrated many of the foreign policy events that Reagan views as his big successes, including the invasion of Grenada and the capture of the

LEXIS NEXIS LEXIS NEXIS

Proprietary to the United Press International, December 3, 1986

Achille Lauro hijackers. He also was dedicated to assistance, government and private, to the Contras, who are seeking the overthrow of the Marxist-led Sandinista government in Managua.

There is the general feeling in the White House that North, described as "shadowy" and a "mystery man," fit Reagan's Rambo-style specifications and brooked no obstacles in achieving his ends.

Linda Chavez, who ran unsuccessfully for a Maryland Senate seat, and served in the Reagan White House as head of the Office of Public Liaison, described North in an article in Wednesday's Washington Post as a "well meaning zealot," adding, "Certainly, no one who shared his political philosophy could help admiring him. ... He seemed to have his fingers in everything exciting that went on in the internal struggles of White House foreign policy fights."

The Key Relationship Remains a Mystery

Views Differ on North's Access to Reagan

By David Hoffman and Lou Cannon
Washington Post Staff Writers

When freed hostage David P. Jacobsen came to the White House to meet President Reagan last month, he was accompanied almost everywhere—including the Oval Office—by Lt. Col. Oliver L. North of the National Security Council staff. The one place North did not venture with Jacobsen was into the White House Rose Garden for a ceremony with the president in front of television cameras.

North, identified by the administration as the key figure in a scheme to divert profits from Iran weapons sales to aid the Nicaraguan rebels, characteristically remained out of the limelight in his White House years.

But many of the president's senior advisers in his first and second term said in interviews that, within the White House compound, the Marine Corps officer enjoyed a reputation as more than just another military bureaucrat.

These officials said they took North seriously as a genuine clandestine operative who slipped away from the White House for missions to Central America and the Middle East. At the same time, they said North was regarded as part braggadocio, the kind of person who would say he had just talked with the president when, in fact, he had been one of a dozen aides in a meeting with him.

There are widely varying accounts of whether North enjoyed a personal relationship with Reagan. "There are two competing views," said a White House official from both Reagan terms. "One is that he had a kind of mystical relationship with Reagan, spending a lot of time with him. No one ever sees Reagan alone, but you assume it was with [chief of staff Donald T.] Regan or [then national security adviser John M.] Poindexter."

"The other school of thought is that he was prone to exaggeration and didn't have all this contact and rapport. There was a dream-world quality to him in which things were bigger than reality."

"He was a blusterer," said a senior administration official who served in the White House in the first term, adding, nonetheless, "The thing about him is that a lot of it is true. A lot of people at the time thought it was likely to be true. In Ollie's case, you thought he was boasting, but you didn't doubt he was doing some of the things he talked about."

The question of North's relationship with the president, and whether he acted on Reagan's orders, has become central to the crisis that has engulfed the White House over the possibly illegal diversion of \$10 million to \$30 million from Iran arms sales to aid the Nicaraguan rebels fighting the Sandinistas.

Reagan has claimed he did not know of the diversion. And Attorney General Edwin Meese III said North was the only person who knew "precisely" about the diversion, although Poindexter knew "generally" about it. Reagan fired North after the diversion was disclosed but then called him an "American hero" for his work.

North frequently conducted briefings for outside groups on the administration's efforts to support the Nicaraguan rebels.

And he has been quoted by participants in some of these groups as saying he had frequent contact with the president. Members of a United Methodist Church group who met with North Feb. 10 have quoted him as saying that he briefed Reagan twice a week, half of the briefings on terrorism and half on Central America.

However, White House officials who examined the diary of Reagan's meetings the last two years said the records do not support North's claim.

The officials refused to make public a list of North's meetings with the president, but they said there were about 19 Reagan meetings since January 1985 in which North participated.

North never met alone with Reagan during this period, they said the records show. However, this is not unusual; Reagan rarely meets alone with any of his top advisers. The of-

182
ficials said there is only one recorded phone call to North—on Nov. 25, the day Reagan announced on national television that North was fired. Sources close to North have said Reagan thanked him in the phone call for his service.

Four of the meetings with Reagan involved returned American hostages from Lebanon or their families—twice with Jacobsen and twice with the Rev. Lawrence Jenco. North was deeply involved in efforts to free all the American hostages, one of the motivations for Reagan's decision to sell weapons to Iran. Texas billionaire H. Ross Perot has said North solicited millions of dollars in ransom money from him in a bid, eventually unsuccessful, to win freedom for the hostages.

Officials who examined the records would not characterize the other 15 meetings, except to say they were unrelated to the hostages. Several officials said North's most frequent contact with the president would be for briefings on the Nicaraguan rebels. North was the central figure in White House efforts to keep the contras supplied from other sources during the period in which Congress terminated U.S. military aid.

North appeared in the office of Vice President Bush once along with Felix Rodriguez, a veteran of the Bay of Pigs who later came to oversee the private supply airlift to the contras.

"Ollie by 1985 was someone that the president would know by face. But he would have thought of him as Col. North, not as Ollie," said another administration official with firsthand knowledge. The official pointed out that it was rare for Reagan to develop a personal relationship with his White House assistants.

North, who had many friends and contacts in conservative ranks in this country, often told them and other White House colleagues of seemingly personal contact with Reagan. Once, for example, after the Libyan attack, he told a friend that Reagan was in tears after telephoning the family of a downed American flier, according to the friend.

A colleague at the National Security Council at the time said, "Ollie was what the president wanted to be—a decorated war hero; a straight-arrow patriot. But Ollie also had a flair for the dramatic and was something of a self-promoter. He would say, 'I've just been with the president,' when he had been there as a member of the team."

282

North, a San Antonio native, graduate of the U.S. Naval Academy and Marine platoon and company commander during the Vietnam war, returned to Washington in 1975 to be an analyst at Marine headquarters.

He was sent to the National Security Council in 1981; several sources said he started seeing the president personally after William P. Clark was brought in as national security adviser in early 1982. He came into the Oval office as part of the briefing teams that regularly accompanied Clark for his meetings with Reagan.

A source who held a high-ranking post at the time said North in this period might have come in as a member of the team "every other week or so," but more often during crises. In the aftermath of the bombing of the Marine barracks in Beirut in October 1983, North came in to the Oval Office two or three times a week, this source said.

According to another source who was a high-ranking official at the time, "He wasn't a member of the inner circle, and the president didn't adopt him or anything like that. But the president knew who he was and respected his views."

However, James A. Baker III, then White House chief of staff, and Michael K. Deaver, then deputy chief of staff, were said to "faintly distrust" North, as one official not allied with them put it last week. Baker and Deaver realized that the cause of the Nicaraguan rebels was unpopular in this country, this official said, and "they didn't like anyone in the Oval office pushing that on the president."

When Faith Ryan Whittlesey, then White House director of public liaison, began the "Outreach Working Project" on Central America in 1983 to drum up support for the contras, North provided her with speakers from the rebels, known as contras or counterrevolutionaries. And North first brought contra leaders into the White House. The once-covert war originally justified to interdict weapons shipments to guerrillas in El Salvador was evolving in this period into a higher pro-

file attempt aimed at the eventual overthrow of the Sandinista government of Nicaragua.

Whittlesey left the White House in early 1985, and the outreach group died soon afterward. "Ollie very much regretted this, and he may have felt that it was up to him to keep contra aid going" until Congress would approve it again, said another source who held a high-ranking White House post at the time. North at one point reportedly suggested that Reagan give a nationally televised speech saying that Congress had cut off aid but encouraging private donations to aid the contras. Reagan never gave the speech but did deliver the message generally, saying, "I am a contra, too."

All the sources said North became steadily more important under Clark's successor, Robert C. McFarlane, who has said North is "like a son of mine." It was during McFarlane's tenure that the United States intercepted the cruise ship Achille Lauro hijackers in one of the most successful antiterrorism operations of the Reagan years; North reportedly played a key role in running the operation.

Poindexter had a "management problem" after McFarlane departed, and North assumed an even larger role, sources said. "Ollie became the point man for a lot of covert stuff," said a well-informed source still at the White House. "He operated more on his own under Poindexter than under Clark or McFarlane."

This source described North as more complicated than he seems, both "obedient and innovative." The source said North thought that he was carrying out the president's wishes in pulling strings for the con-

tras, but at the same time "he was highly capable of doing a lot of orchestration on his own with like-minded friends in the military" and keeping it to himself.

"He has this James Bond streak to him, which is why he became upset when he was identified in news accounts" in late 1985 as a key figure in dealing with the contras, the source said. "He believed in the cause, but he also liked the role he was playing."

Staff writers David Ignatius, Joanne Omang and Bob Woodward contributed to this report.

46TH STORY of Level 1 printed in FULL format.

The Associated Press

The materials in the AP file were compiled by The Associated Press. These materials may not be republished without the express written consent of The Associated Press.

December 17, 1986, Wednesday, AM cycle

SECTION: Washington Dateline

LENGTH: 678 words

HEADLINE: North's Meetings with Reagan in Dispute

BYLINE: By ROBERT PARRY, Associated Press Writer

DATELINE: WASHINGTON

KEYWORD: North-Reagan

BODY:

The White House asserted Wednesday that over the past two years, President Reagan met with Lt. Col. Oliver L. North on an average of less than once a month and then only in large groups. But an associate of the fired National Security Council aide immediately disputed that claim.

The associate, who insisted on anonymity, said North would personally brief Reagan on "a fairly regular basis ... often after normal White House working hours." The associate said he was with North on at least two occasions in the evening when North was summoned to talk with the president.

The issue of North's access to Reagan has become a central question in the investigation into who authorized the diversion of from \$10 million to \$30 million in profits from Iranian arms sales to Nicaraguan Contra rebels.

Reagan fired North, an NSC deputy director for political-military affairs, on Nov. 25 for his role in the diversion. Attorney General Edwin Meese III said Reagan was not informed of the scheme and that only North "knew precisely about this." Congressional investigations have focused on who authorized North to use profits from the arms sales for the Contras and why the president had no knowledge of the operation which began last January. If North did have regular meetings with Reagan, it would suggest the president had more information about the NSC aide's activities than is currently known.

According to Methodist church leaders, North told one of their groups 10 months ago that he met with Reagan twice a week on Nicaragua and terrorism issues. "He told us he had just come in from a meeting with the president," said Ellen Kirby, one of 18 church members at the session.

A White House source, however, said North would sometimes overstate his access to the president and other senior officials. The source said that one time, North excused himself from a meeting saying he had to brief Vice President George Bush, but the source said others at the meeting knew Bush was out of town.

The Associated Press, December 17, 1986

In an interview on CBS this week, retired Army Maj. Gen. John K. Singlaub, who assisted North in aiding the Contras, said North briefed Reagan "probably more frequently than twice a week" about Nicaragua.

But White House spokesman Larry Speakes told reporters Wednesday that during 1985 and 1986 — nearly a two-year period — North attended "around 20 or less" meetings with the president, all in large groups. There were "no one-on-one meetings," Speakes said.

"There were some meetings where a freed hostage or a hostage family was taken into the Oval Office and then taken into the Cabinet Room to meet with a larger group, which counted as two meetings," the spokesman said.

Citing records of a diarist who keeps track of Reagan's time, Speakes said the smallest meetings with North probably involved at least six people and the largest of them 30 or 40 people.

Asked if after-hours meetings would be recorded, another spokesman Peter Roussel said, "It's the role of the diarist to record all presidential activity within and without the complex, including the residence." On Tuesday, White House Chief of Staff Donald T. Regan testified before the Senate Intelligence Committee that North never met alone with Reagan and was never authorized to divert money from Iran arms sales to the Contras.

Although the president denies having known about the Iran-Contra connection, Reagan has — through his words and actions — suggested that he had a reasonably close relationship with North.

Following North's firing, Reagan called North to thank him for his service to the administration, and in a Time magazine interview, the president praised the Marine lieutenant colonel as a "national hero" who "was involved in all our operations: the Achille Lauro (hijacking), Libya." The North associate said the president would invite North to the White House after normal working hours for briefings. North was known to work late into the night and the associate said the purpose of the evening chats was to put Reagan "ahead of the curve" on issues that might arise the next day.

Reagan blocked North transfer, official contends

By Alfonso Chardy
and Sam Dillon
Inquirer Washington Bureau

WASHINGTON — President Reagan's admiration for Lt. Col. Oliver L. North saved the former National Security Council aide from reassignment by White House chief of staff Donald T. Regan when inquiries about North's connections to the Nicaraguan contras mounted last summer, an administration official said yesterday.

Regan considered transferring North mainly because he resented the frequency with which the Marine officer communicated with the President, according to the official, but abandoned the idea when Regan interceded.

The official, who worked closely with North until his dismissal Nov. 25, said he knew of the incident through contact with North and conversations with White House staffers.

Regan defended North when Regan and other senior officials, including CIA director William J. Casey, Secretary of State George P. Shultz and North's boss, Vice Adm. John M. Poindexter, were recommending that the NSC aide be fired or reassigned, the official said.

The official cited the clamor for North's removal from the White House in July as evidence of early recognition within the administration that North's activities could inflict serious damage if revealed.

There is no evidence that the officials who expressed concern about North's activities four months before his dismissal suspected that he was diverting Iran arms profits to the contras, as has been alleged.

Instead, the opposition to North appears to have resulted from tensions within the NSC, fears that a fledgling congressional investigation might reveal damaging secrets about North's ties to the rebels, and Regan's irritation at North's frequent communications with the President, the official said.

Spokesman for the White House, State Department and CIA declined comment yesterday.

How and how often North communicated with the President has emerged as a major question in the investigation into the reported diversion of \$10 million to \$30 million to the contras.

The White House has attempted to distance Reagan from North, asserting that the two rarely crossed paths or spoke privately during North's five-year White House career. Regan testified Dec. 16 that North had met with Reagan just 19 times and never alone. Regan also said White House logs showed that North and the Pres-

ident never spoke by telephone until after North's dismissal.

ident never spoke by telephone until after North's dismissal.

But an official whose work often took him to North's office said yesterday that North had frequently talked with Reagan, especially by phone.

Three other officials have said recently that conversations with North had left them with the impression that he spoke frequently and easily with the President. The Associated Press last week quoted an associate of North's as saying that North often briefed Reagan after "normal White House working hours."

Officials who worked closely with North on the contra program for the last two years have said he had had extraordinary access to the President since Reagan's first term, when he was introduced to the Reagan by NSC adviser William P. Clark, one of the President's closest friends.

Reagan's affection for North grew after several foreign policy triumphs North helped engineer, including the 1983 Grenada invasion, the 1985 capture of the Achille Lauro hijackers and the bombing of Libya earlier this year, the officials said.

These officials said that former Ambassador to Honduras John Negroponte and the former commander of U.S. forces in Central America, Gen. Paul Gorman, among others, recognized North's capability to relay messages quickly to the President

and began to use the NSC aide to bypass the normal bureaucratic thicket insulating the President.

"North became a buzzsaw who could cut through the thicket," an official said, which irritated Regan, who "wanted to be the gatekeeper to the President, the filter."

(8)