


THE WHITE HOUSE

WASHINGTON

July 13, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM: WILLIAM B. LYTTON III 

SUBJECT: MCFARLANE TESTIMONY

This memorandum highlights those issues expected to be addressed during tomorrow's hearings of the Select Committees when Robert C. McFarlane, at his request, is recalled to follow the appearance of LtCol Oliver North. Though McFarlane could speak on any of a number of issues, he will most likely attempt to clarify discrepancies between his earlier testimony and that of North on Contra aid, the Iran initiative, and post-disclosure activities. Specifically, McFarlane may wish to describe in detail the guidelines he gave North in approaching Third Countries and private benefactors given the Boland Amendment restrictions. In addition, McFarlane may also wish to clarify his prior testimony concerning the May 1986 trip to Tehran. Finally, McFarlane may wish to again describe his participation in the preparation of the November 1986 chronologies and to underscore his recollection of events during the November 21-25 time frame.

I. Contra aid

McFarlane may want to clear the air on what instructions he gave North and with what frequency North briefed him on North's activities. McFarlane has testified that after passage of the October 1984 Boland Amendment the President directed him to help the Contras "hold body and soul together" (McFarlane's term) until the Congress would again agree to support them. Further, McFarlane testified that to carry out the President's wishes, he relied on Donald Fortier and North. McFarlane said he told North that he [North] was to serve as a "visible sign" of the President's strong personal support and help the Contras in their efforts to become a "real political movement". According to McFarlane, he stressed to his staff that they were to operate "at all times within the law, and that in particular we were not to solicit, encourage, coerce or otherwise broker financial

contributions to the Contras." Indeed, McFarlane testified that he did not know North was involved with Spitz Channell or Richard Miller. Also, he denied giving North authority to approach third countries.

In contrast, North testified that he always kept his superiors fully informed of his activities. Specifically, North said that McFarlane knew he (North) had established an operational account for the Contras which contained traveller's checks from Adolfo Calero and cash from Richard Secord's "enterprise". More generally, North asserted that McFarlane was regularly briefed on his resupply efforts and on his association with Secord.

II. Letters Prepared for Congressmen Hamilton and Barnes

McFarlane may want to challenge North's testimony that he was instructed by McFarlane to alter documents used in preparing responses to inquiries levied by the Congressmen. McFarlane testified that he told North at the time of Congressman Barnes' investigation, that it was inappropriate to alter six NSC file documents to reflect what North "actually" intended to express. North testified, however, that he altered documents in completing his NSC work, pursuant to outstanding McFarlane instructions, in the days before he was relieved of duty.

III. May 1986 Tehran Trip

The respective testimonies of McFarlane and North are inconsistent on whether North was authorized to allow the second plane load of arms to leave Tel Aviv for Tehran. McFarlane has testified that North committed an act of insubordination in giving the take-off order without McFarlane's knowledge. According to McFarlane, North woke him after the plane was airborne, forcing him to order North to turn the plane around. On the contrary, North testified that he gave the order pursuant to a plan agreed to by Poindexter and McFarlane.

IV. November 1986 Chronologies

McFarlane may want to recount his participation in the preparation of the November chronologies. McFarlane has testified that he genuinely did not remember in November 1986 that the November 1985 shipment from Israel to Tehran contained HAWKS rather than oil-drilling equipment. In contrast, North testified that McFarlane led the effort to falsify the November chronologies.

V. Post-Disclosure Activities

McFarlane may want to expound on his series of conversations with North over the November 21-25 time frame, including their car ride from Michael Ledeen's house on the 21st and their meeting on the 23rd before North met with the Attorney General.

VI. "Plausible Deniability"

McFarlane has testified that "deniability" was not built into the Iran initiative. In contrast, North has testified that he (North) was designated the "fall guy" in the event the initiative was disclosed and that McFarlane knew of this.

VII. Bipartisanship, etc.

Given the number of disparaging statements North has made towards the Congress, McFarlane may want to underscore the need for bipartisanship in the development of foreign policy and greater Executive-Legislative cooperation.