

THE WHITE HOUSE  
WASHINGTON

July 13, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM:

WILLIAM B. LYTTON III

SUBJECT:

TESTIMONY OF LTCOL NORTH  
JULY 13, 1987

I. Overview

At the end of the morning session, Senator McClure and Representative Cheney challenged Chairman Inouye's statement on Face the Nation Sunday about a memorandum that supposedly indicates the President was briefed about use of residuals from the Iran arms sales to finance other covert operations (see Section II.A, below). Senator Inouye seemed to back away from his Sunday statement.

North testified that he recalled no discussions with the Vice President about proposals for him eventually to meet with a high ranking Iranian official. North said, however, that he thought the Vice President would be an excellent choice for such a meeting, and said he based this belief on the Vice President's bravery in a 1983 meeting with armed Salvadoran military officials who violently opposed U.S. support of Salvadoran moderates.

North denied having told Costa Rican President Arias to call off a press conference that would have revealed the existence of a secret airstrip, despite the fact that he informed Poindexter of having done so in a contemporaneous PROFS note. He testified that he generated the PROFS message "to protect" the others (presumably Assistant Secretary Abrams and Ambassador Tambs) who were involved in the Arias phone call. (He did not explain how this PROFS message would protect Abrams and Tambs).

Representative Broomfield and Senator Hatch both stated that they did not want to see North prosecuted based on the information adduced to this point. Senator Rudman charged that the White House statements on November 25, 1986, that North was

being reassigned but that Poindexter had resigned were designed to make North a "scapegoat."

North denied that any of the significant Contra leaders (or their subordinates) were involved in drug running. North stated that he reported Robert Owen's allegations about a Contra drug connection to appropriate authorities.

Several members recognized the need to accommodate secrecy and Congressional consultation in the conduct of covert operations but stated it was ill-advised for the NSC to conduct covert operations.

## II. The President's Involvement

North denied the report in the recent Washingtonian article that he enjoyed access to the President not reflected in the normal logging system.

### A. Diversion

Representative Cheney stated that he had carefully read the memorandum discussed by Inouye on television Sunday (July 12), that it contained no reference to profits generated by the Iran arms sale, and that the President could have read the memorandum from cover-to-cover without gaining any knowledge of diversion. Senator McClure agreed and stated that Poindexter's briefing would only have made the President aware of diversion if it went beyond the information contained in the memorandum. Chairman Inouye seemed to back off his Sunday statement, and said that Poindexter would have to be questioned about what he told the President. The Chairman stated that he made his statement to let the Administration know that it would need to respond, and that he thought he was being "quite fair" by giving the Administration time to do so.

North testified that he does not recall whether there was a cover memorandum for the April 1986 "diversion memorandum," or for any of the four other diversion memoranda.

### B. Boland Amendment

Senator Rudman stated that vacillations in Congressional support of the Administration's Contra aid policy reflect the American people's lack of support for that policy. Rudman said that at some point that what North or President Reagan believes is appropriate policy "matters not a whit" because the American people have a right to be wrong.

### C. Iran Operation

Senator Mitchell spoke extensively about the failure to notify Congress about the Iran initiative. He concluded that--in view of the fact that Israelis, Iranians and even a Saudi knew

about the operation--informing Congress would not have significantly increased the chance of a leak. Mitchell opined that some Congressmen would have advised the President not to proceed if informed at the outset.

Mitchell noted that if (as North testified last week) it was bad to have vacillations in our Nicaragua policy, then it was even worse to pursue simultaneously two different Iran policies--one publicly, the other privately.

Senator Rudman criticized any decision that advocated encouraging Kuwait to release the Da'wa prisoners as part of the Iran negotiations, regardless whether the decision would bear USG "fingerprints." North countered that history from that part of the world teaches that these prisoners will eventually be released anyway. Rudman stated that he hoped these prisoners would never be released, and noted that the President was very upset when he learned that North's delegation had discussed the Da'wa with the second channel in October 1986.

D. Third Country Aid to Contras

Nothing to report.

E. Private Support to Contras

North testified that, in his view, the President was not obligated to notify Congress about covert operations funded by non-appropriated funds, and that the President would be accountable to the people for such actions. Senator Mitchell noted that the President told the Tower Board that he had not known the NSC staff was involved in assisting the Contras. In response, North reiterated that he kept his superiors apprised and that, in fact, the President has stated that he was aware of what was being done and that it was, at least partially, "his idea." North also stated that he understood McFarlane's direction that North maintain the Contras "body and soul" to have expressed the President's instruction.

III. Continuation of Hearing

North's testimony will resume Tuesday morning at 9:00 a.m. After North, the Committee will hear for a second time from Robert McFarlane, who has asked for an opportunity to respond to several matters raised by North. The Committee will next hear from former NSC security officer James Radzimski and, then, from Vice Admiral Poindexter.