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THE WHITE HOUSE
WASHINGTON

BY LHJ, NARA, DATE 5/8/04

May 11, 1987

MEMORANDUM FOR THE FILE

FROM: WILLIAM B. LYTTON III *WLB*

SUBJECT: CONFERENCE BETWEEN:
FRANK CARLUCCI, NATIONAL SECURITY ADVISOR;
ARTHUR B. CULVAHOUSE, JR., COUNSEL TO THE
PRESIDENT;
WILLIAM B. LYTTON III, DEPUTY SPECIAL COUNSELLOR
TO THE PRESIDENT; AND
MEMBERS OF THE SENATE SELECT COMMITTEE ON SECRET
MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN
OPPOSITION

On May 7, 1987, at approximately 6:20 p.m., Frank Carlucci, Arthur B. Culvahouse, Jr., and I met with the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition as well as members of their staff (Arthur Liman, Mark Belnick, Paul Barbadero, and a fourth unidentified staff member) in Room 219 of the Hart Senate Office Building. This meeting was at the request of the Senate Committee. The subject was the issue of whether and under what circumstances there could be a discussion at the hearings of solicitations to specific foreign countries for contributions to the Contras.

There was no court reporter nor was any transcript kept of the meeting. I appeared to be the only one taking notes of the meeting.

After being welcomed to the Committee by Chairman Daniel K. Inouye, Frank Carlucci said that he recognized the dilemma that the Senate Committee was in on the issue of whether to have a witness disclose publicly what the newspapers had already broadcast or printed with regard to the Saudi Arabian contribution to the Contras. He said that the premise of the hearings was that we had made an enormous foreign policy error. Those hearings would focus on how that error was made. He said that it would only compound the error by irritating the Saudis and/or Guatemala by naming them, and it would not be consistent with the overall objectives of the Administration or the Committee. He said that irritating Saudi Arabia was not in the interest of the United States.

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He said this

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was a crucial time. The United Nations peace process was taking hold. There was an Arab delegation in town tomorrow. Jordan and Israel are on the verge of conducting direct negotiations, assuming that Israel is able to get its political house in order. Saudi Arabia plays an important and constructive role in all of these matters. With regard to Guatemala, it is a pivotal country. It will be the swing vote at Estival and will be crucial helping devise an appropriate peace plan. Mr. Carlucci said that we also want to find a solution to this problem. The solution may be different with regard to Richard Secord, a private citizen, than it is with Robert McFarlane, a former National Security Advisor.

Chairman Inouye said that he had spoken with Senator Howard Baker and had reached an agreement. He said that Senator Baker had agreed that as long as the Committee refrained from using United States documents with General Secord, the White House would not publicly criticize the Committee or register any protests. However, Senator Baker told Senator Inouye that the White House will not approve or publicly condone such a disclosure by General Secord.

Mr. Culvahouse confirmed Chairman Inouye's understanding of the agreement as enunciated to Chairman Inouye by Senator Baker. Culvahouse pointed out that Senator Baker's comments related only to General Secord as a private citizen; there is a legal question as to whether we could preclude him from testifying. With regard to Mr. McFarlane, there is an acute problem both legally and diplomatically. Therefore, Mr. McFarlane presents a very different situation than General Secord does. The White House would have to declassify the testimony. The Saudis understand this process and if we did declassify it, it would cause a furor. Secretary Shultz is concerned enough to have spoken with Senator Baker twice about this matter.

Senator McClure wanted to know whether we were discussing a narrow legal issue or the broader diplomatic issue.

Mr. Culvahouse responded that we were discussing both.

Frank Carlucci said that he was speaking primarily about the diplomatic issue.

Senator Boren asked whether people would learn more if Saudi Arabia were specifically identified versus just identifying the country as a "friendly country." Senator Boren said he was very concerned about disclosing Saudi Arabia's identity.

Chairman Inouye referenced what he referred to as the eloquent opening statement by Senator William Cohen on the opening day of the hearings. This statement related to whether or not there was

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a quid pro quo. He said this was a crucial aspect of the full investigation.

Mr. Carlucci said the issue is not whether we provide the information to the Committee. That has already been done. The appropriate documents have been provided to the Committee. The issue is what becomes public. He asked whether it was totally impossible for the Committee to do something in private and then make public their conclusions.

Chairman Inouye said that one of the problem areas is our relations with other countries. Where we have a private relationship with other countries and there are private understandings, the Congress had better know about it. Here, the United States asked the Saudis to contribute money and he wants to know if there is a quid pro quo.

Mr. Carlucci said that we would provide the Committee whatever they need but asked whether it had to be in public.

Senator Rudman asked whether it concerned Mr. Carlucci as to how it gets out or if it gets out. For instance, if Calero testifies next week that he received \$32M which he believed came from the Saudis, what would be Mr. Carlucci's reaction?

Mr. Carlucci said that his preference was that it not get out at all. However, the amount of damage which would be done by an official confirmation is incalculably more harmful.

Senator Rudman said that the TV networks had already reported the Saudi role.

Mr. Carlucci said that the Saudis make a big distinction between press leaks and official confirmation.

Senator Cohen asked whether Mr. McFarlane had already identified the Saudis in testimony before the House Foreign Affairs Committee.

Mr. Culvahouse said he did not know.

Mr. Liman said that Mr. McFarlane had not done so, but his suicide letter made some reference to the incompleteness of his testimony.

Mr. Culvahouse said that our declassification would amount to official confirmation.

Senator Mitchell said that the Committee did not want to be seen as failing in establishing the truth, and noted that the United States Government wanted to avoid a confirmation of the issue. He asked whether it would be all right for private citizens to testify about this matter, but preclude any United States

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Government confirmation or reference to official United States Government documents.

Senator Rudman said that was the answer.

Senator Harkin said that it would not embarrass the Committee if the Committee gave the country a code name.

Senator Mitchell said that they did not have to do that. The pattern had already been established in referring to a "foreign government." If the United States Government witnesses were only asked about "foreign countries," that should work.

Chairman Inouye asked if there were any objections to the procedure that was used today in which General Secord wrote down the name of the country on a piece of paper and sealed it in an envelope which he gave to the Committee.

Mr. Carlucci said that was very helpful and it demonstrates to the Saudis our sensitivity to this issue.

Senator McClure said that other countries are also involved such as El Salvador, Costa Rica, and Guatemala.

Mr. Carlucci agreed and said that those also represented problems. President Duarte has his troubles in El Salvador. President Ascona is also in difficulty. His military is talking about a coup because of his being too pro-American.

Senator McClure said that if a private witness says all of this, it would not be the government confirming it.

Senator Sarbanes said that this was an Alice In Wonderland procedure. He assumes the press will report that the word that General Secord wrote on the note was Saudi Arabia. He wanted to know with regard to other witnesses who are private citizens whether they would put the names of countries on the record and asked whether the White House was prepared to accept General Secord saying it.

Mr. SulvaHouse replied that it was his preference not to mention Saudi Arabia at all. The White House would not criticize the Committee if General Secord did mention it. However, the White House would not authorize.

Senator Sarbanes raised the issue about a landing strip and other air fields in Central American that were well known.

Mr. Carlucci said that the President of Costa Rica would certainly telephone tomorrow because of the revelations today about the CIA operating in his country and he will be very upset about it.

Senator Rudman noted that more witnesses will be government witnesses and the staff can prepare a master code to identify certain countries.

Mr. Liman said that with regard to solicitations from countries, e.g., Israel, Saudi Arabia, Taiwan, and Brunei, each could have a number assigned to them. But he raised a question about former Ambassador Tambs, who was Ambassador to Costa Rica, and Colonel Steele. Their affiliations with certain countries to which they were assigned are a matter of public record.

Mr. Carlucci said that today's hearings discussed the CIA in Costa Rica. Senator Rudman said that [REDACTED]

Senator Mitchell noted that this discussion had started concerning Saudi Arabia, which was a reasonable issue, and that now it was going forward. He is going to make a motion that government witnesses not name countries solicited or involved in contribution to the Contras. [REDACTED]

Mr. Carlucci inquired as to whether the Committee would ask former Ambassador Tambs [REDACTED]

Mr. Liman responded "no," and said that they were avoiding [REDACTED]

Senator Cohen referred to a paperback book called, "The Chronology," and noted that most of what we were attempting to keep secret was already public in that book and other publications.

Senator McClure noted that there are some areas where they do not need to ask the names of countries. He asked whether it was necessary to ask [REDACTED]

Senator Mitchell made a motion in two parts:

(1) In accord with Frank Carlucci and Arthur B. Culvahouse's request, that when a former or present government witness was questioned with regard to contributions, the Committee instruct that witness not to answer with regard to the name of any country. However, non-government witnesses would be questioned about the names of countries.

(2) With regard to the identity of other countries unrelated to contributions to the Contras, the members of the Committee and staff would exert great restraint and discipline without compromising the Committee's credibility and integrity.

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Mr. Carlucci said it would be helpful if these rules would be made clear at the outset because the Saudis would want to know.

There was a general discussion by the Senators that they thought Carlucci should notify the Saudis.

Mr. Carlucci said that he would privately notify the Saudis.

Senator Rudman said that when the hearings are over, the Washington Post and New York Times would no doubt issue reports and their reports could not be any more complete than the official Committee report. It was a matter of concern to the Committee that it not look like a newspaper had done a more thorough job of investigating than the Committee had.

Mr. Culvahouse mentioned that he had heard some discussion of this quid pro quo for AWAC'S. He said that if the Committee developed any hard information, then that could be put into the Committee's report for purposes of discussing, on a good faith basis with the White House, the possible declassification of that information. However, he urged the Committee not to drill a dry hole in public.

Senator Rudman noted that they had not done that, that they could have, but that Senator Inouye had been careful in making sure that the hearings were conducted fairly.

Senator Sarbanes said that we have to be concerned about our credibility as a result of the procedures the Committee adopts. If the Committee is careful in its procedures, its ability to shield sensitive information is thereby enhanced. Everyone agrees to protect information about any conversation between the President and King of Saudi Arabia. He believes that Senator Mitchell's proposal is sensible.

Senator Mitchell said that this is based upon what the Committee knows at this point. The issue is the centrality of the facts as they relate to the Committee's inquiry. They may have to revisit this issue again as the hearings progress. There may be another time when another issue will be so central to the Committee's investigation that they have to go forward, notwithstanding the White House's objections.

Mr. Carlucci noted that the White House shared the Committee's goals and wishes to restore the foreign policy goals of the United States.

Chairman Inouye said that with no objection, Senator Mitchell's motion would be so ordered. He assured us that there would be no questions concerning Saudi Arabia of official government witnesses but said what about Taiwan.

Mr. Carlucci said that Taiwan is less sensitive.

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Chairman Inouye said what about Brunei.

Mr. Culvahouse said that Brunei has already acknowledged that they have contributed money.

Mark Belnick said that that was true and that the State Department had informed him that they had no objection to mentioning Brunei's name.

Senator Mitchell said that the Committee should follow the same rule with regard to all countries rather than single out Saudi Arabia as the only country not mentioned.

Senator Rudman said that Taiwan will not be mentioned by State Department witnesses.

The meeting concluded at approximately 7:00 p.m.

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cc: Arthur B. Culvahouse, Jr. (Copy 1)
Paul Stevens (Copy 2)