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THE WHITE HOUSE
WASHINGTON

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(Dictated April 17, 1987)

April 24, 1987

MEMORANDUM FOR THE FILE

FROM:

C. DEAN MCGRATH *Wm C. G.*

SUBJECT:

Congressional Interview of General Collin Powell

On Friday, April 17, 1987, at 1:00 p.m. members of the Senate and House Select Committees on Iran/Contra interviewed General Collin Powell. Nick Rostow, Deputy Legal Adviser, NSC, and I accompanied General Powell.

Iran Initiative

At the outset, Mark Belnick asked General Powell about his awareness of the Iran initiative in 1985. General Powell stated that he was aware of the initiative in the late fall or early winter but was not aware of the Israeli arms shipments. General Powell indicated that sometime in the September/October time period Secretary Weinberger had returned from the White House and "back-briefed" him on the initiative with Iran, specifically the strategic overture, the hostage situation and the possible transfer of weapons. General Powell also indicated that Robert McFarlane had briefed the Secretary on one occasion and John Poindexter had briefed him on another occasion.

HAWK Shipments

General Powell was then questioned about a memorandum that Dr. Gaffney had prepared in November 1985 entitled "HAWK Shipments." The memorandum and accompanying handwritten notes (prepared by Dr. Gaffney) indicated that General Powell had asked Dr. Gaffney about the possibility of shipping 500 HAWKS to Iran. General Powell indicated that the request for this information had probably come from the NSC, either John Poindexter or Oliver North, and that requests of this nature were routine. He did not remember talking to Noel Koch about the memorandum, and did not recognize the handwriting as that of Dr. Gaffney. Furthermore, General Powell did not remember asking Dr. Gaffney to consider the issue of whether the shipments could be "laundered" through Israel. This reference is contained in Dr. Gaffney's talking points which were provided to General Powell.

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NLS ERG-055/1-44

By NLS NARA, Date 5/8/06

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In response to follow-up questions about the HAWK shipment memorandum, General Powell indicated that he was aware that there was not an unlimited amount of money with which to purchase the HAWKS. With respect to the TOW shipments he remembered that there was a \$24 million cap on the amount of money available and that the buyer wanted the most weapons for the money. He remembered that either North or Poindexter had said that the money was limited. With respect to a discussion with General Russo about the TOW shipments and discussing a cheaper alternative, General Powell remembered saying that the Army should be fully reimbursed.

Israeli Replenishments

General Powell was asked about his knowledge of the Israeli request for replenishments in 1985. He had no recollection of such requests and his first knowledge of the Israeli shipments came after January 1986.

Later, in response to additional questions about the Israeli replenishment, General Powell indicated that he became aware of the replenishment issue when the number of TOWs the Army was asked to provide was raised from 4,000 to 4,500. He could not remember exactly why, but he knew this increase had something to do with reimbursing the Israelis.

Koch/North

General Powell was then asked whether he knew Noel Koch. He indicated that he saw him frequently, and that, as Richard Armitage's Deputy, Koch was involved in the counter-terrorism area. The Committee asked whether North and Koch had talked about the Iran initiative. General Powell could not remember any such conversations, but said it would not have been unusual for North and Koch to discuss such matters.

Arms Reporting

In response to several questions, General Powell indicated that everyone was generally conscious of the monetary threshold for reporting specific arms sales to the Congress. He stated that there was no discussion of how to structure the sales to avoid notification.

General Powell indicated that Secretary Weinberger had on several occasions told him that he had told the President that the Iran initiative was a bad idea. General Powell had no specific memory of the December 7, 1985, meeting at the White House. He did indicate, however, that Secretary Weinberger had on several occasions indicated that he thought the initiative was dead, but that it kept being resurrected. The existence of a "finding" was not part of General Powell's vocabulary. Secretary Weinberger had simply informed him that the President had decided to go

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ahead with the initiative, that it had been legally authorized and that General Powell was "to make it happen."

FOIA(b) (1)

[REDACTED]

The Committee then questioned General Powell about why the [REDACTED] process for arms transfers to the CIA was not followed. General Powell responded that he had simply taken the request for TOWs directly to General Thurmond who was head of the [REDACTED] process. Powell told Thurmond what was needed. There was no discussion of exactly how General Thurmond would accomplish this task. General Powell indicated that he was not familiar with the procedures that were followed in the shipment of Stingers to Afghanistan.

Pricing

With respect to the pricing issue, General Powell indicated that generally it had been accomplished under the Economy Act, and that his instructions had always been that the Army should get full reimbursement. He was aware that an issue had arisen concerning the actual pricing of the TOWs. General Russo had periodically reported to him on the pricing issue, but he was not watching it.

General Powell was then shown a March 7, 1986, memorandum from General Brown describing the Army's uneasiness with regard to requirements to notify Congress about the TOW shipments. General Powell remembered forwarding this memorandum to John Poindexter.

Contra Support

Mr. Belnick then asked General Powell if he had ever heard of operation "tipped kettle." Mr. Beinick indicated that this operation had something to do with the purchase of captured Soviet weapons from Israel and the transfer of those weapons to the Contras. General Powell stated that he had no knowledge of any such operation. General Powell also indicated that he had no knowledge of the Saudis, Taiwanese, or others giving money to support the Contras.

The interview concluded with a discussion about who had knowledge of the Iranian initiative. General Powell indicated that Deputy Secretary Taft had some knowledge of the initiative and that Armitage was also aware of it.

cc: Arthur B. Culvahouse, Jr.
Jay A. Stephens
William B. Lytton
Nicholas Rostow

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WITHDRAWAL SHEET

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. Memo	C. Dean McGrath to the File, re: Congressional Interview of General Collin Powell, 3 p. <i>PART 5/8/06 F98-055/1 #44</i>	4/24/87	P1/F1

RESTRICTION CODES

- Presidential Records Act - (44 U.S.C. 2204(a))
- P-1 National security classified information ((a)(1) of the PRA)
- P-2 Relating to appointments to Federal office ((a)(2) of the PRA)
- P-3 Release would violate a Federal statute ((a)(3) of the PRA)
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- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors ((a)(5) of the PRA)
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- Freedom of Information Act - (5 U.S.C. 552(b))
- b-1 National security classified information ((b)(1) of the FOIA)
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