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**WHORM Subject File Code:** CO121  
(Countries: Panama, Republic of)  
**Case file Number(s):** 611000-618999  
**Box:** 150

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# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** WHITE HOUSE OFFICE OF RECORDS MANAGEMENT  
(WHORM): SUBJECT FILE

**Withdrawer**

DLB 8/4/2010

**File Folder** CO121 (PANAMA) (611000-618999)

**FOIA**

S10-306

**Box Number** 150

SYSTEMATIC

913

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
95430	MEMO	DUPLICATE OF #95427; COLIN POWELL TO [THE PRESIDENT], RE: MEETING WITH PANAMANIAN PRESIDENT ERIC A. DELVALLE <b>R 9/15/2022 NSC/DEPT. OF STATE WAIVERS</b>	1	12/21/1988	B1
95431	PAPER	DUPLICATE OF #95428; POINTS TO BE MADE FOR MEETING WITH PANAMANIAN PRESIDENT ERIC A. DELVALLE <b>R 9/15/2022 NSC/DEPT. OF STATE WAIVERS</b>	1	ND	B1
95432	TALKING POINTS	DUPLICATE OF #95428; CARD FORMAT - MEETING WITH PRESIDENT DELVALLE <b>R 9/15/2022 NSC/DEPT. OF STATE WAIVERS</b>	1	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.



*CO 121*

*A9*

### WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
  - H - INTERNAL
  - I - INCOMING
- Date Correspondence Received (YY/MM/DD) 1 1

Name of Correspondent: Arthur B. Culoshouse, Jr.

MI Mail Report      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: HAD Request concerning Manuel Noriega - draft press release

**ROUTE TO:**

**ACTION**

**DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
<u>cuhol</u>	ORIGINATOR	<u>88,08,18</u>		<u>@ 88,08,18</u>
	Referral Note:			
<u>aculo</u>	<u>A</u>	<u>8808,18</u>		<u>@ 88,08,18</u>
	Referral Note:	<u>Handled verbally</u>		
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			
		<u>1 1</u>		<u>1 1</u>
	Referral Note:			

**ACTION CODES:**

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure

- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

**DISPOSITION CODES:**

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

**FOR OUTGOING CORRESPONDENCE:**

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: Copy of August 18, 1988, New York Times article attached

See: 611756CU, 585598CU + 611754CU

Keep this worksheet attached to the original incoming letter.  
 Send all routing updates to Central Reference (Room 75, OEOB).  
 Always return completed correspondence record to Central Files.  
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.



## RECORDS MANAGEMENT ONLY

### CLASSIFICATION SECTION

No. of Additional Correspondents: \_\_\_\_\_ Media: 0 Individual Codes: \_\_\_\_\_

Prime Subject Code: CO 121 Secondary Subject Codes: FG 045  
FG 006-12

### PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

**SIGNATURE CODES:**

- CPn - Presidential Correspondence
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  - n - 4 - Dutch
  - n - 5 - Ron Reagan
  - n - 6 - Ronald
  - n - 7 - Ronnie
  
- CLn - First Lady's Correspondence
  - n - 0 - Unknown
  - n - 1 - Nancy Reagan
  - n - 2 - Nancy
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  - n - 2 - Ron - Nancy

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- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

Revised (with changes from California)

—  
Changes called in to  
Dan Lewis



611755CM

The General Accounting Office request for information on General Noriega asks for a broad range of sensitive intelligence material, information from open law enforcement files, and material reflecting the deliberative decisionmaking process of the Executive branch. Administration officials met with the GAO in an effort to narrow the request, which GAO declined to do.

Because the request involves extremely sensitive intelligence and law enforcement information, and because the attempt to inquire into the deliberative process of the Executive branch raises serious constitutional concerns, we informed GAO on July 13, 1988, that we would need to complete a legal review of the issues raised by their request before responding. The Justice Department has just completed that review and has concluded that the subject matter of the request is beyond GAO's statutory authority. The Justice Department has also concluded that <sup>independent</sup> [even were the request within GAO's legal authority,] there are <sub>A</sub> statutory and constitutional objections to providing various specific categories of information requested.

Consistent with the legal advice we have now received from the Justice Department, we will be to informing GAO that we cannot participate in the study as currently designed. The Administration is prepared to meet with GAO to discuss the legal issues involved. Moreover, if GAO reformulates its request in a manner consistent with its statutory authority and the legal principles involved, we will respond to any such new request in an appropriate manner.



DRAFT

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

re: Study #472165

Dear Ms. Kingsbury:

I am writing in further response to GAO's request concerning a study of the alleged drug activities of Manuel Noriega, and the role information about such activities played in decisions about U.S. foreign policy.

As you know, from the outset the Administration has been concerned about the breadth of the request and the fact that it sought access to sensitive intelligence and law enforcement information and material related to the deliberative process of the Executive branch. Unfortunately, discussions between Administration officials and representatives of the GAO did not succeed in narrowing the request. As I informed you by letter dated July 13, 1988, the Administration was reviewing the important statutory and constitutional issues raised by your request, and would respond following that review. The Justice Department completed their analysis this week.

Based on the Justice Department's legal analysis, the Administration believes that the request, as formulated, is beyond GAO's statutory authority. It is not related to the evaluation of any statutorily created program or activity or the expenditure of funds. The Administration believes, moreover, that there are statutory and constitutional impediments to providing information in each of the three categories GAO has requested: law enforcement, intelligence, and Executive branch deliberations. The Administration therefore ~~will~~ <sup>can</sup> not participate in the study as currently formulated.

We are prepared to arrange a legal briefing for GAO's General Counsel's office on the reasons for our decision. Moreover, the Administration remains prepared to cooperate should GAO choose to reformulate its request in a manner consistent with statutory and constitutional requirements.

Do not hesitate to call me if you would like to discuss this matter further.

Sincerely,

Nicholas Rostow  
Special Assistant to the President  
and Legal Adviser

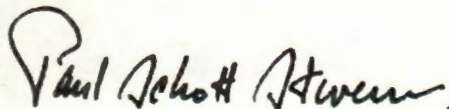
Ms. Nancy R. Kingsbury  
Associate Director  
National Security and  
International Affairs Division  
United States General Accounting Office  
Washington, D.C. 20548

DRAFT

*Handwritten notes:*  
The  
GAO  
Admin: Kingsbury  
Kingsbury  
Kingsbury  
Kingsbury

reformulate its request in a manner consistent with statutory and constitutional requirements.

Sincerely,

A handwritten signature in cursive script that reads "Paul Schott Stevens". The signature is written in dark ink and is positioned above the typed name.

Paul Schott Stevens  
Executive Secretary

Ms. Nancy R. Kingsbury  
Associate Director  
National Security and  
International Affairs Division  
United States General Accounting Office  
Washington, D.C. 20548



NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20508

AC 3500 ✓

August 29, 1988

re: Study #472165

Dear Ms. Kingsbury:

I am writing in further response to GAO's request concerning a study of the alleged drug activities of Manuel Noriega, and the role information about such activities played in decisions about U.S. foreign policy.

As you know, from the outset the Administration has been concerned about the extraordinary breadth of the request and the fact that, as the GAO has acknowledged, it sought access to sensitive intelligence and law enforcement information and material related to the deliberative process of the Executive branch. Unfortunately, discussions between Administration officials and representatives of the GAO did not succeed in narrowing the request. As we informed you by letter dated July 13, 1988, the Administration was reviewing the important statutory and constitutional issues raised by your request, and would respond following that review. The Justice Department recently completed its analysis.

Based on the Justice Department's legal analysis, the Administration believes that the request, as formulated, is beyond GAO's statutory authority. It is not related to the evaluation of any statutorily created program or activity or the expenditure of funds. While the Administration has not at this time evaluated whether specific information could be provided were the request reformulated, it also believes that there are independent statutory and constitutional impediments to providing information in the three categories GAO has requested: law enforcement, intelligence, and Executive branch deliberations.

The Administration therefore cannot participate in the study as currently formulated. This position also represents the views of the Counsel to the President, the Legal Adviser of the Department of State, and the General Counsels of the Department of Defense and the Central Intelligence Agency.

We are prepared to arrange a legal briefing for GAO's General Counsel's office on the reasons for our decision. Moreover, the Administration remains prepared to cooperate should GAO choose to

402-20

88 AUG 30 P 2: 59



reformulate its request in a manner consistent with statutory and constitutional requirements.

Sincerely,

*Paul Schott Stevens*

Paul Schott Stevens  
Executive Secretary

NATIONAL SECURITY COUNCIL

*Aug. 30*

*A. B. Culvahouse:*

*Attached is FYI. Letter  
was delivered to BAO  
yesterday.*

*File*

*—Paul Stevens*

Ms. Nancy R. Kingsbury  
Associate Director  
National Security and  
International Affairs Division  
United States General Accounting Office  
Washington, D.C. 20548

UNCLAS

CLASSIFICATION

CIRCLE ONE BELOW

IMMEDIATE

PRIORITY

ROUTINE

MODE

SECURE FAX # 17

ADMIN FAX #

RECORD #

PAGES 1

DTG 182230Z

RELEASER [Signature]

FROM/LOCATION

1. JACKIE MURPHY / MARYBEL BATJER / SANTA BARBARA

TO/LOCATION/TIME OF RECEIPT

1. BOB PERITO / COAD ELAINE MITSIEP / NSC  
TOR: 182233Z

SITUATION ROOM

88 AUG 18 PG: 44

WHITE HOUSE

INFORMATION ADDRESSEES/LOCATION/TIME OF RECEIPT

1. \_\_\_\_\_  
2. \_\_\_\_\_

SPECIAL INSTRUCTIONS/REMARKS:

DRAFT Press release on GAO

- 1. Please provide copies to DAN LEVID AND A.B. CULWA HOUSE ASAP.

UNCLAS

CLASSIFICATION



The General Accounting Office's request for information on General Noriega asks for a broad range of sensitive intelligence material, information from open law enforcement files, and material reflecting the deliberative decision-making process of the Executive branch. Administration officials met with the GAO in an effort to narrow the request, which GAO declined to do.

Because the request involves extremely sensitive intelligence and law enforcement information, and because the attempt to inquire into the deliberative process of the Executive branch raises serious constitutional concerns, we informed GAO on July 13, 1988, that we would need to complete a legal review of the issues raised by their request before responding. The Justice Department has just completed that review and has concluded that the subject matter of the request is beyond GAO's statutory authority. The Justice Department has also concluded that, even were the request within GAO's legal authority, there are statutory and constitutional objections to providing various specific categories of information requested.

Consistent with the legal advice we have now received from the Justice Department, we will be informing GAO that we cannot participate in the study as currently designed. The Administration is prepared to meet with GAO to discuss the legal issues involved. Moreover, if GAO reformulates its request in a manner consistent with its statutory authority and the legal principles involved, we will respond to any such new request in an appropriate manner.



# White House Blocks a Noriega Inquiry

The New York Times

By ROBERT PEAR

Special to The New York Times

WASHINGTON, Aug. 17 — The White House has ordered the State Department, the Defense Department and the Central Intelligence Agency not to cooperate with a Congressional investigation of possible illegal activities by Gen. Manuel Antonio Noriega of Panama, Administration officials said today.

The investigators, from the General Accounting Office, an arm of Congress, are studying the ways that information about drug trafficking by foreign officials influences decisions by the United States on foreign policy. They are focusing on Panama as "a case study."

General Noriega, the Panamanian strongman, was indicted in February on drug trafficking charges by two Federal grand juries in Florida. The Reagan Administration offered to drop the charges if the general would resign and leave Panama, but he refused.

The investigation by the accounting office could touch on politically sensitive matters, like the question of when Vice President Bush learned that General Noriega might be involved in drug trafficking.

### Years of Praise

For years, General Noriega provided political intelligence to the United States Government. From 1982 to 1987, American law-enforcement officials wrote six letters warmly praising the Panamanian leader for his aid in fighting the international traffic in narcotics. John C. Lawn, head of the Federal Drug Enforcement Administration, said he had written such letters because he was "left out of the loop" by American intelligence agencies.

Roger B. Feldman, the State Department Comptroller, said "all executive branch agencies have been instructed by the White House" not to provide any of the requested information or documents to the G.A.O. until further notice.

Defense Department officials provided information from June 1 through July 12, when they said they had been instructed by the White House to suspend cooperation.

Nicholas Rostow, legal adviser to the National Security Council, said the investigation "raises important statutory and constitutional issues" involving access to sensitive law-enforcement and intelligence data. In a letter to the G.A.O. on July 13, he said the Administration was analyzing those issues.

### White House Move Is Unusual

A White House official said today that the issues were still being reviewed. He said the White House might issue guidelines for G.A.O. access to information, but he could not say when documents might actually be disclosed.

Representative Bill Alexander, Democrat of Arkansas, said the White House was "stonewalling" in an apparent effort to withhold evidence that Federal agencies were "working at cross purposes."

Congressional auditors often haggle with individual agencies over access to specific documents. But it is unusual for the White House to issue a blanket policy suspending cooperation while it tries to decide how to respond.

Nancy R. Kingsbury, the G.A.O. official supervising the project, said, "We have, by letter and telephone discussions, continued trying to obtain information and schedule meetings with the Departments of State, Defense and Justice, but these efforts have been refused, with each agency citing the National Security Council's direction as the reason for refusal."

For example, she said, a drug-enforcement official at the Justice Department "told us that the National Security Council gave instructions not to meet with us until N.S.C. gives the go-ahead."

Under Federal law, each agency is required to give the General Accounting Office the information it requires for investigations. The Comptroller General of the United States, as head of

the G.A.O., may file suit in Federal court to get access to Government documents. But the President may withhold records of foreign intelligence activities.

Mr. Alexander said he would soon in-

roduce legislation to require Federal agencies to share information about illegal foreign drug activities.

Senator John F. Kerry, Democrat of Massachusetts, and Mr. Alexander requested the G.A.O. investigation.

*file  
GPO / Noriega*





9



*Sg*

ID # 611756 CU  
*CO121*

### WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING

Date Correspondence Received (YY/MM/DD) 1 1

Name of Correspondent: Joseph E. Kelly

MI Mail Report User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: GAO Inquiry regarding Panamanian leader Gen. Manuel Noriega

ROUTE TO:	ACTION	DISPOSITION
Office/Agency (Staff Name)	Action Code Tracking Date YY/MM/DD	Type of Response Code Completion Date YY/MM/DD
<u>cuhol</u>	ORIGINATOR <u>88106123</u>	<u>C</u> <u>88106123</u>
<u>cuclv</u>	Referral Note: <u>A/T</u> <u>88106123</u>	<u>C</u> <u>88106123</u>
	Referral Note: _____	_____
	Referral Note: _____	_____
	Referral Note: _____	_____

- ACTION CODES:**
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  - C - Comment/Recommendation
  - D - Draft Response
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  - R - Direct Reply w/Copy
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  - X - Interim Reply
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- A - Answered
  - B - Non-Special Referral
  - C - Completed
  - S - Suspended

**FOR OUTGOING CORRESPONDENCE:**  
Type of Response = Initials of Signer  
Code = "A"  
Completion Date = Date of Outgoing

Comments: See: 611755CU, 585598CU & 611754CU

Keep this worksheet attached to the original incoming letter.  
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# RECORDS MANAGEMENT ONLY

## CLASSIFICATION SECTION

No. of Additional Correspondents: \_\_\_\_\_ Media: \_\_\_\_\_ Individual Codes: \_\_\_\_\_

Prime Subject Code: CO 121 Secondary Subject Codes: FG 045  
FG 006-12

## PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

### SIGNATURE CODES:

- CPn - Presidential Correspondence
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  - n - 4 - Dutch
  - n - 5 - Ron Reagan
  - n - 6 - Ronald
  - n - 7 - Ronnie
- CLn - First Lady's Correspondence
  - n - 0 - Unknown
  - n - 1 - Nancy Reagan
  - n - 2 - Nancy
  - n - 3 - Mrs. Ronald Reagan
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- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study



United States  
General Accounting Office  
Washington, D.C. 20548

National Security and  
International Affairs Division

611756 CH

May 13, 1988

Mr. Paul Schott Stevens  
Executive Secretary  
National Security Council  
Old Executive Office Bldg.  
Washington, D.C. 20506

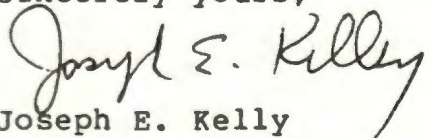
Dear Mr. Stevens:

The General Accounting Office, has been requested to undertake a study of Panamanian leader Gen. Manuel Noriega's alleged drug activities. The study, under code 472165, will examine (1) the broad parameters of U.S.-Panamanian relations over the past 20 years, (2) the type of information about Noriega developed by various intelligence and law-enforcement agencies, (3) the extent to which this information reached foreign policy decision-makers, and (4) the role that such information played in decisions on U.S. foreign policy.

This work will be performed by Mr. Donald L. Patton, Group Director; Mr. James O. Benone, Evaluator-in-Charge; and and Mr. Jon Chasson; of our Foreign Economic Assistance Group.

The work will be conducted at the National Security Council, the Department of State, the Department of Defense, the Department of Justice, and other federal agencies.

We appreciate any assistance you can provide to our staff. If you have any questions, please contact Mr. Patton at 275-1898 or Mr. Benone at 275-7487.

Sincerely yours,  
  
Joseph E. Kelly  
Associate Director





United States  
General Accounting Office  
Washington, D.C. 20548

National Security and  
International Affairs Division

June 23, 1988

Mr. C. Nicholas Rostow  
Special Assistant to the President  
and Legal Advisor  
National Security Council

Dear Mr. Rostow:

As you are aware, Senator John Kerry, Chairman of the Subcommittee on Terrorism, Narcotics, and International Operations and Representative Bill Alexander, are concerned that information about illegal activities by high-level officials of other nations may not be adequately considered in U.S. foreign policy decisions. At their request, the General Accounting Office is undertaking an initial case study of how information about General Noriega was developed by various government agencies, and what role such information played in policy decisions regarding Panama.

To satisfy this request, we will:

**(1) Obtain an agency overview.** At each agency that develops relevant information on General Noriega or his possible involvement in illegal activities, we will receive a briefing that outlines the general organizational structure and the operational procedures related to the agency's data collection, analysis, and dissemination systems.

**(2) Interview relevant personnel.** Once we understand the basic organizational structure, we will then interview key personnel responsible for (1) defining agency information needs with regard to Noriega and Panama, (2) implementing the information collection process, (3) collecting and reporting raw data, and (4) analyzing and disseminating data on Panama and Noriega.

**(3) Review documents.** As we learn more about each agency's collection and reporting processes, we will request relevant documents. We anticipate that these will include: specific directives, instructions, or taskings to collect data on Noriega or alleged illegal activities involving Noriega, cables and reports from field offices

regarding Noriega's involvement in or toleration of illegal activities, analyses or summaries of field reporting on Noriega, and geographic/subject-area studies discussing the role or suspected role of Noriega in illegal activities.

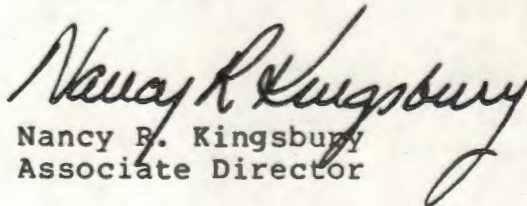
**(4) Examine the use of information about Noriega in the foreign policy process.** After completing a systematic review at each agency, we will attempt to determine how agency reporting on Noriega may have influenced foreign policy decisions on Panama. We will first identify the agencies, organizations, and individuals who play a role in deciding national security and foreign policy issues with regard to Panama. Through interviews and a review of relevant documents, we will determine whether information about Noriega reached them, and how that information was used in making decisions.

As part of our review, we will contact appropriate officials of the National Security Council who are now or were in the past involved in policy decisions regarding Panama. We intend to discuss their knowledge and utilization of information concerning General Noriega's illegal activities.

We understand that this review will involve potentially sensitive material that may require special controls and safeguards. We are willing to discuss this issue with you and take appropriate precautions.

Mr. Levin indicated that you would handle this request expeditiously, and I look forward to hearing from you early next week. If you have any additional questions about our review, please contact Mr. Patton at 275-1898 or Mr. Benone at 275-7487.

Sincerely yours,

  
Nancy B. Kingsbury  
Associate Director





613051

ID # \_\_\_\_\_

# WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

*C0121*

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 88 110 104

*Dear*

Name of Correspondent: The Hon. Howell Heflin & Warren Rudman

*CS*

MI Mail Report User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: General Noriega

### ROUTE TO:

### ACTION

### DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CS Dube</u>	<u>ORIGINATOR</u>	<u>88, 10, 104</u>			<u>C 88, 10, 25</u>
<u>NS Powe</u>	<u>R</u>	<u>88, 10, 105</u>			<u>1 1</u>
<u>CUCulv</u>	<u>R</u>	<u>88, 10, 105</u>			<u>C 88, 11, 15</u>
<u>Cuhee</u>	<u>A</u>	<u>88, 10, 109</u>			<u>C 88, 11, 15</u>
<u>cuat (24)</u>	<u>R</u>	<u>88, 10, 111</u>			<u>C 88, 11, 15</u>
	Referral Note:	<u>for APAC</u>			
	Referral Note:	<u>Nov 1588 @ DM memo to Arthur B. Culvahouse, Jr.</u>			

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# RECORDS MANAGEMENT ONLY

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No. of Additional Correspondents: 0001 Media: 2 Individual Codes: 1210 1220 . . . . .

Prime Subject Code: C0121 . . . . . Secondary Subject Codes: ND 011-01 . . . . .  
EG 037 . . . . .

## PRESIDENTIAL REPLY

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C		Time: _____	P- _____
DSP		Time: _____	Media: _____

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- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie
  
- CLn - First Lady's Correspondence**
- n - 0 - Unknown
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan
  
- CBn - Presidential & First Lady's Correspondence**
- n - 1 - Ronald Reagan - Nancy Reagan
- n - 2 - Ron - Nancy

**MEDIA CODES:**

- B - Box/package**
- C - Copy**
- D - Official document**
- G - Message**
- H - Handcarried**
- L - Letter**
- M - Mailgram**
- O - Memo**
- P - Photo**
- R - Report**
- S - Sealed**
- T - Telegram**
- V - Telephone**
- X - Miscellaneous**
- Y - Study**

THE WHITE HOUSE

WASHINGTON

November 15, 1988

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM: C. DEAN MCGRATH, JR. *W. Kelly*

SUBJECT: Letter from Senators Heflin and Rudman Concerning  
an Unauthorized Disclosure Made by a Member or  
Employee of the Senate Intelligence Committee

The National Security Council staff (Barry Kelly's office) has prepared a response to the above-referenced letter. Since the response involved sensitive compartmented information, it was prepared for General Powell's signature. I reviewed the proposed response and had no legal objection to its transmittal. Therefore, no further action on our part is required.



**THE WHITE HOUSE  
WASHINGTON**

Date: 10-21-88

TO: Barry Kelly

FROM: **C. DEAN McGRATH**  
Associate Counsel  
to the President

**ACTION**

- For your information
- For your review & comment
- As we discussed
- For your files
- Please see me
- Return to me after your review

COMMENTS:

HOWELL HEFLIN, ALABAMA, CHAIRMAN  
WARREN B. RUDMAN, NEW HAMPSHIRE, VICE CHAIRMAN  
-DAVID PRYOR, ARKANSAS  
TERRY SANFORD,  
NORTH CAROLINA  
JESSE HELMS, NORTH CAROLINA  
NANCY LONDON KASSEBAUM, KANSAS  
WILSON R. ABNEY, ACTING STAFF DIRECTOR/CHIEF COUNSEL  
ANNETTE M. GILLIS, CHIEF CLERK

# United States Senate

SELECT COMMITTEE ON ETHICS  
HART SENATE OFFICE BUILDING, ROOM 220  
SECOND AND CONSTITUTION AVENUE, NE.  
WASHINGTON, DC 20510-6425  
TELEPHONE 224-2981

*Dean - moved  
to do  
NSC with  
Olt & Lammell's  
office involvement*

613051

October 4, 1988

Mr. Ken Duberstein  
White House Chief of Staff  
1600 Pennsylvania Avenue, NW  
Washington, D.C. 20500

Dear Mr. Duberstein:

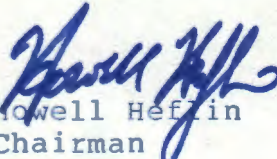
It is our understanding from recent press accounts that President Reagan and a "well-placed administration official" have alleged that congressional sources recently leaked information about covert operations to oust Panama's General Noriega. The official went on to note that "this happens every time we notify Congress of an intelligence finding."

In S. Res. 400, 94th Congress, this Committee was charged with the following:

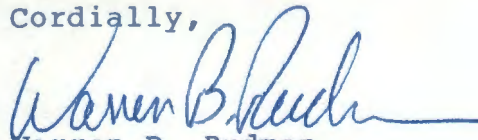
(d) It shall be the duty of the Select Committee on Standards and Conduct to investigate any unauthorized disclosure of intelligence information by a Member, officer or employee of the Senate in violation of subsection (c) and to report to the Senate concerning any allegation which it finds to be substantiated.

So that we may fulfill our obligation to the Senate, we ask that if President Reagan has any evidence of an unauthorized disclosure made by a Member or employee of the Senate Intelligence Committee that we be made aware of the information in a timely fashion.

With Best Wishes,

  
Howell Heflin  
Chairman

Cordially,

  
Warren B. Rudman  
Vice Chairman



4  
— —  
— —

11

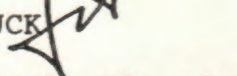
11

THE WHITE HOUSE  
WASHINGTON

July 13, 1988

File copy  
616 001  
10121

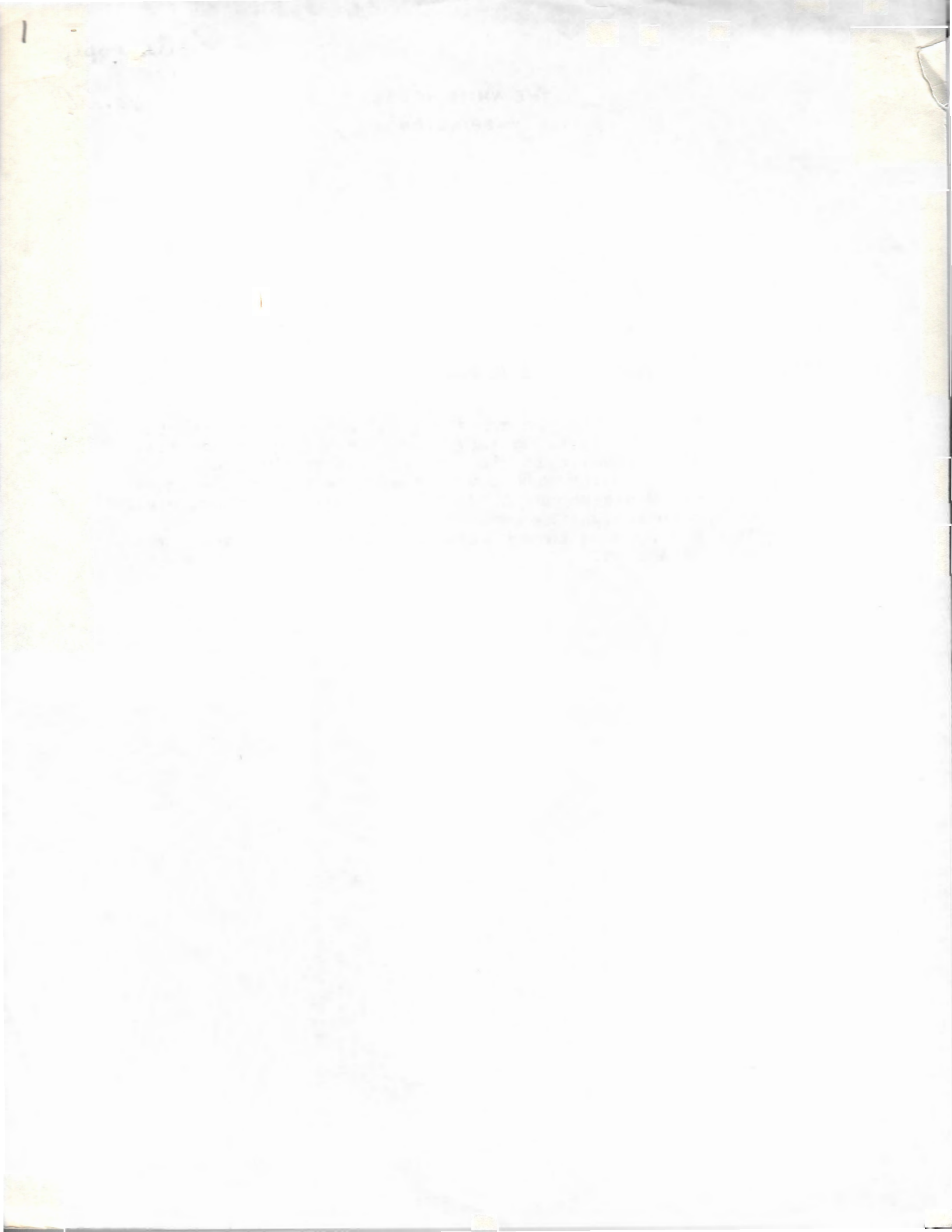
MEMORANDUM FOR COLIN POWELL

FROM: JOHN C. TUCK   
SUBJECT: President Delvalle of Panama

Senator D'Amato has been in contact with the Office of the Chief of Staff, specifically B. Oglesby. Senator D'Amato urges that while President Delvalle is visiting in this country, and preferably prior to the time that D'Amato meets with him in New York this Friday afternoon, there be a high level contact urging Delvalle not to resign as President of Panama. We have a commitment for someone to get back to D'Amato to apprise him of our course of action.

bc: M. B. Oglesby





THE WHITE HOUSE  
WASHINGTON

July 13, 1988

MEMORANDUM FOR COLIN POWELL

FROM: JOHN C. TUCK *JCT*  
SUBJECT: President Delvalle of Panama

Senator D'Amato has been in contact with the Office of the Chief of Staff, specifically B. Oglesby. Senator D'Amato urges that while President Delvalle is visiting in this country, and preferably prior to the time that D'Amato meets with him in New York this Friday afternoon, there be a high level contact urging Delvalle not to resign as President of Panama. We have a commitment for someone to get back to D'Amato to apprise him of our course of action.

*B. OGLESBY,  
OUR AMBASSADOR IS TRAVELING  
WITH DELVALLE. A JOINT STATE/NSC  
AND GIVE HIM VISIT DELVALLE ON FRIDAY  
ARE ALSO PLANNING THE "STAY" MESSAGE. We  
TELL D'AMATO.) A RR phone call (DON'T  
D'AMATO WITH THIS 'GOOD' NEWS. CAN*

*Colin 13 Jul*

*Passed message on to Debbie in  
D'Amato's office - Indicated that I  
couldn't get personally involved - but delivered  
his message -*





UNCLASSIFIED  
NSC/S PROFILE

RECORD ID: 8802128  
RECEIVED: 18 MAR 88 08

TO: NEGROPONTE

FROM: ROGERS, WILLIAM

DOC DATE: 16 MAR 88  
SOURCE REF:

KEYWORDS: PANAMA  
MP

ECONOMICS

PERSONS:

SUBJECT: LTR RE PANAMA FINANCIAL & ECONOMIC SITUATION

ACTION: NO ACTION REQUIRED PER FLOWER DUE DATE: 22 MAR 88 STATUS: C

STAFF OFFICER: SORZANO

LOGREF:

FILES: WH

NSCIF:

CODES:

DOCUMENT DISTRIBUTION

FOR ACTION  
FLOWER

FOR CONCURRENCE  
DANZANSKY

FOR INFO  
COCKELL  
KELLY, B  
KISSELL  
LEACH  
ROSTOW  
TILLMAN

COMMENTS:

DISPATCHED BY \_\_\_\_\_ DATE \_\_\_\_\_ W/ATTCH: YES NO

OPENED BY: NSRCB CLOSED BY: NSCDM DOC 1 OF 1

UNCLASSIFIED

NSC 8802128

616612  
1110  
CD121  
RE

TH



UNCLASSIFIED  
NSC/S PROFILE

RECORD ID: 8802128  
RECEIVED: 18 MAR 88 08

TO: NEGROPONTE

FROM: ROGERS, WILLIAM

DOC DATE: 16 MAR 88  
SOURCE REF:

KEYWORDS: PANAMA  
MP

ECONOMICS

PERSONS:

SUBJECT: LTR RE PANAMA FINANCIAL & ECONOMIC SITUATION

ACTION: PREPARE MEMO FOR NEGROPONTE DUE DATE: 22 MAR 88 STATUS: S

STAFF OFFICER: SORZANO

LOGREF:

FILES: WH

NSCIF:

CODES:

DOCUMENT DISTRIBUTION

FOR ACTION  
FLOWER

FOR CONCURRENCE  
DANZANSKY

FOR INFO  
COCKELL  
KELLY, B  
KISSELL  
LEACH  
ROSTOW  
TILLMAN

*NO ACT NEC*

COMMENTS:

*No action necessary.*

DISPATCHED BY \_\_\_\_\_ DATE \_\_\_\_\_ W/ATTCH: YES NO

OPENED BY: NSRCB

CLOSED BY:

DOC 1 OF 1

UNCLASSIFIED

**ARNOLD & PORTER**

1200 NEW HAMPSHIRE AVENUE, N. W.

WASHINGTON, D. C. 20036

(202) 872-6700

CABLE: "ARFOPO"

TELECOPIER: (202) 872-6720

TELEX: 89-2733

1700 LINCOLN STREET  
DENVER, COLORADO 80203  
(303) 863-1000

WILLIAM D. ROGERS  
DIRECT LINE: (202) 872-6915

900 THIRD AVENUE  
NEW YORK, NEW YORK 10022  
(212) 593-2772

March 16, 1988

BY TELEFAX

The Honorable John D. Negroponte  
Deputy Assistant to the President  
for National Security Affairs  
First Floor, West Wing  
The White House  
Washington, D.C. 20500

Dear John:

I enclose herewith a brief memorandum on the safety net required for Panama. It was prepared by an eminent group of bankers and economists who have been assembled here in Washington to constitute the Financial Task Force of the Government of Panama.

They are at your disposition. Their analysis of the need is thorough and persuasive.

Sincerely yours,

William D. Rogers

Enclosure



RECEIVED  
BY MAR 16 P 1:30

7-15-63

March 16, 1988

MEMORANDUM

FROM: Financial Task Force  
Government of Panama  
Arnold & Porter

RE: Day One Financial Requirements in Panama

When Noriega is driven from power, it will be the result of the financial firestorm created by the closing of the Panamanian financial system. That firestorm must be extinguished on the day of his overthrow or it will consume the successor Delvalle regime as well. This means the immediate restoration of confidence in the banking system of Panama, so that salary checks can be cashed, ordinary commercial life begin again and the economy quickly revived. This is the most urgent task for Day One.

Restoration of financial confidence will be quickly followed by a longer term economic reconstruction effort, to institute an economic program of reforms designed to balance the budget, open the economy, stimulate investment and eliminate corruption. But the task at the moment is the restoration of financial confidence which is an absolute precondition to the longer-term effort.



President Reagan's statement made clear that the United States was dedicated not only to getting rid of Noriega but also to cooperating with the successor regime in restoring Panama's economic health. Secretary of State Shultz at his press conference on March 11 stated that the United States would do "everything possible" to that end.

Concretely, to insure that the banking system reopens the day Noriega is overthrown, the United States should immediately establish a safety net for the Panamanian banks in the public and private sectors in the amount of \$400 million -- 15% of total deposits. This should be done in the form of a contingent line of credit to be drawn down if and as required by the Panamanian banks. The loan agreement should be with the Banco Nacional de Panama as the central government's financial agent and should be administered in a segregated account of the Banco Nacional under the direction of new, specially-appointed administrators drawn from the private financial community. Disbursements would be made into the Banco Nacional account as and to the extent required by the liquidity demands of the Panamanian banks.

Public knowledge of such a safety net, combined with other immediate measures undertaken by the new Delvalle Government of National Reconciliation, will demonstrate that the financial crisis is over.

Confidence will be restored. Withdrawals will be minimized, and drawdowns of the line of credit therefore be in the end modest. But without the assurance of such a safety net, the banking system of Panama -- and therefore the economy of Panama -- will collapse and make academic any longer-term economic efforts.



UNCLASSIFIED  
ACTION DATA SUMMARY REPORT

RECORD ID: 8802128

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 SORZANO  
001

Z 88031808 PREPARE MEMO FOR NEGROPONTE  
X 88060216 NO ACTION REQUIRED PER FLOWER

UNCLASSIFIED

7

95430

The President has seen 12/22/88

~~CONFIDENTIAL~~

THE WHITE HOUSE

8763

WASHINGTON

December 21, 1988

*Handwritten initials*

**C.F.**

618969

CO121

PR007-01

FG006-12

*Handwritten initials*

DECLASSIFIED  
Authority NSC/State W/notes  
BY de NARA DATE 9/15/2022

MEETING WITH PANAMANIAN PRESIDENT ERIC A. DELVALLE

DATE: December 22, 1988  
LOCATION: Oval Office  
TIME: 9:50 to 10:00 a.m.  
FROM: COLIN L. POWELL

I. PURPOSE

To demonstrate your continued support and assure President Delvalle that we are actively working for Noriega's removal from power.

II. BACKGROUND

President Delvalle remains in hiding in Panama and is depressed over the failure of Panamanian and U.S. efforts to remove Noriega. The lack of strong pressures on the regime from any quarter has led Delvalle to question his personal sacrifice. Delvalle is planning to resign, but not immediately.

Delvalle's resignation would complicate our sanctions and recognition policy. He is seeking a public demonstration of continued U.S. commitment to democracy in Panama and support for the Panamanian opposition. He wants your assurance of continued U.S. support for his strategy of negotiating with Noriega. Delvalle will have met with Secretary Shultz on December 21.

III. PARTICIPANTS

List at Tab B.

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

A photo opportunity with the President and Vice President followed by a five-minute conversation.

Attachments

- Tab A Points to be Made
- Tab B List of Participants
- Tab C Biography

~~CONFIDENTIAL~~

Declassify on: OADR

NSL 8808763

cc: Vice President  
Chief of Staff (2)



95431

2

CONFIDENTIAL

DECLASSIFIED  
Authority NSC/State Waivers  
BY dm NNDATE 9/15/2022

8763

POINTS TO BE MADE FOR MEETING WITH PANAMANIAN  
PRESIDENT ERIC A. DELVALLE

- I urge you to stay the course, for the sake of all Panamanians. You have already shown impressive courage and patriotism. Withdrawal now would be a tragic loss of leadership in the fight to restore democracy to Panama.
- We remain committed to the goals of Noriega's departure from power and the reestablishment of genuine democracy in Panama. We will continue to work with you in applying pressure to reach a realistic and durable solution. I'm sure George agrees.

CONFIDENTIAL

Declassify on: OADR

BY (NAME) dh DATE 1/30/14

LIST OF PARTICIPANTS

U.S.

The President  
The Vice President  
Kenneth M. Duberstein  
Colin L. Powell  
M. B. Oglesby  
Marlin Fitzwater  
Cresensio Arcos, Acting Assistant Secretary of State, ARA  
Robert Pastorino, NSC

Panama

President Delvalle  
Juan Sosa, Panamanian Ambassador to the United States  
Jose Cardenas, Acting Leader of Delvalle's Party

ERIC ARTURO DELVALLE

Addressed as Mr. President, Eric Arturo Delvalle has been the President of the Republic of Panama since September 26, 1985, when Nicolas Ardito Barletta resigned under pressure from the military and party and cabinet leaders. Delvalle was illegally removed from office on February 25, 1988 but remains recognized by the U.S. as Panama's legitimate President.

Delvalle comes from a family that has long been prominent in business and politics. His father was the founder of the Republican Party, and his uncle was Vice President of Panama during 1964-1968. He has been President of the Republican Party since 1983. The party is a minor one, however, deriving most of its power from its membership in the ruling coalition.

Delvalle has close contacts with the business community and for many years has been the General Manager of the Delvalle family sugar mill, Azucarera Nacional. He is also a prominent member of Panama City's Jewish community. Delvalle, 51, had coronary and heart surgery about 13 years ago, but his health now seems good, and has not visibly affected his functioning as President.

Delvalle studied agriculture at Louisiana State University. He speaks fluent English. His wife, the former Mariela Diaz, 50, is the daughter of a former Liberal Party leader and a graduate of Immaculate College in Philadelphia. She too speaks English. The Delvalles have three children, all married.



NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

December 20, 1988



Security for this document  
White House Operations Dept. 11, 2018  
BY NARA dh DATE 7/30/10

ACTION

MEMORANDUM FOR COLIN L. POWELL

FROM: ROBERT S. ~~RASTORINO~~ *RASTORINO*

SUBJECT: The President's Meeting with Eric Delvalle,  
President of Panama, 9:50 to 10:00 a.m.,  
December 22, 1988

Attached for transmittal to the President is the briefing memo  
for the photo-op for Eric Delvalle, President of Panama.

The Department of State has recommended the meeting.

Marybel *RASTORINO* concurs.

RECOMMENDATION

That you forward the memo at Tab I to the President.

Approve ✓

Disapprove \_\_\_\_\_

Attachment

Tab I - Powell Memo to the President with Attachments

Prepared by: *CMB*  
Clarke M. Brintnall

1988

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Authority NSEL State Waiver'sBY dh NARA DATE 9/15/2022~~CONFIDENTIAL~~

3

POINTS TO BE MADE FOR MEETING WITH  
PANAMANIAN PRESIDENT ERIC A. DELVALLE

- I urge you to stay the course, for the sake of all Panamanians. You have already shown impressive courage and patriotism. Withdrawal now would be a tragic loss of leadership in the fight to restore democracy to Panama.

~~CONFIDENTIAL~~

2

4

- We remain committed to the goals of Noriega's departure from power and the reestablishment of genuine democracy in Panama. We will continue to work with you in applying pressure to reach a realistic and durable solution. I'm sure George agrees.

dy 7/30/11

~~CONFIDENTIAL~~  
ACTION DATA SUMMARY REPORT

RECORD ID: 8808763

DSC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 POWELL  
001 PRESIDENT  
001

Z 88122115 FWD TO PRES FOR INFORMATION  
Z 88122118 FOR INFORMATION  
X 88122217 NOTED BY PRES





~~CONFIDENTIAL~~  
NSC/S PROFILE

*Handwritten initials*

RECORD ID: 8808763  
RECEIVED: 19 DEC 88 16

TO: PRESIDENT

FROM: POWELL

DOC DATE: 21 DEC 88  
SOURCE REF:

KEYWORDS: PANAMA

PHOTO OP

PERSONS: DELVALLE, ERIC A

SUBJECT: REQUEST FOR PRES TO MEET W/ PANAMA PRES DELVALLE

ACTION: NOTED BY PRES DUE DATE: 22 DEC 88 STATUS: C

STAFF OFFICER: BRINTNALL LOGREF:

FILES WH NSCIF: CODES:

DOCUMENT DISTRIBUTION

FOR ACTION  
PRESIDENT

FOR CONCURRENCE

FOR INFO  
BRINTNALL  
PASTORINO

COMMENTS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DISPATCHED BY \_\_\_\_\_ DATE \_\_\_\_\_ BY HAND W/ATTCH

OPENED BY: NSGAD CLOSED BY: NSCTF DOC 2 OF 2

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