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1. memo	William Lytton to Arthur Culvahouse re Robert E. Dutton testimony,	- 5/27/87 -	<u>B1</u>
2. memo	R ID[28[ID F97-D&66]6#6D Lytton to Culvahouse re Albert Hakim testimony, 4p	5/21/87	B6 B7c
3. memo	Lytton to Culvahouse re anticipated testimony of Ellen Garwood, Joseph Coors, and William O'Boyle, 3p	5/20/87	B6 B7c
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RESTRICTIONS

B-1 National security classified information [(b)(1) of the FOIA].

B-2 Release could 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 commercial 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-7a Release could reasonably be expected to interfere with enforcement proceedings [(b)(7)(A) of the FOIA].

B-7b Release would deprive an individual of the right to a fair trial or impartial adjudication [(b)(7)(B) of the FOIA]

B-7c Release could reasonably be expected to cause unwarranted invasion or privacy [(b)(7)(C) of the FOIA].

B-7d Release could reasonably be expected to disclose the identity of a confidential source [(b)(7)(D) of the FOIA].

B-7e Release would disclose techniques or procedures for law enforcement investigations or prosecutions or would disclose guidelines which could reasonably be expected to risk circumvention of the law [(b)(7)(E) of the FOIA].

B-7f Release could reasonably be expected to endanger the life or physical safety of any individual [(b)(7)(F) 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].

WASHINGTON

May 27, 1987

WH

MEMOFANDUM FOR HOWARD H. BAKER, JR. RHETT B. DAWSON KENNETH M. DUBERSTEIN M. MAFLIN FITZWATER THOMAS C. GRISCOM

FROM: ARTHUR B. CULVAHOUSF, JR.

SUBJECT: Testimony of Robert E. Dutton

Attached is a summary prepared by Counsel's office of the anticipated testimony of Robert Dutton who is expected to testify today, in place of Albert Hakim, at the Iran/Contra hearings.

Attachment

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THE WHITE HOUSE

WASHINGTON

May 27, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM: WILLIAM B. LYTTON III

SUBJECT: ROBERT E. DUTTON TESTIMONY

A. Introduction

Robert E. Dutton, a retired Air Force Colonel, played a key role in the Contra supply operation and participated in some of the arms shipments to Iran. (U)

In running the day-to-day Contra supply effort, Dutton was in close contact with both Richard Secord and LtCol Oliver North. Dutton is expected to fill in details about the Contra supply operation, including information about the hiring and maintaining of crews, setting up of communications and leasing and purchasing of planes. He may be asked to explain why money from the Iran arms sales never made its way to the Contras. He will likely be asked to comment on Secord's intentions regarding the disposition of assets to the CIA. In pursuing this latter issue, the Committee may focus on discrepancies between his testimony and that of Secord. (U)

Recent news accounts have speculated about Dutton's knowledge of the role of the Vice President's staff in the Contra supply operation. Therefore, Dutton will likely be asked to describe any meetings he attended with members of the Vice President's staff. (U)

Press reports have indicated that Dutton recently testified before a Federal Grand Jury after receiving a grant of immunity from Independent Counsel Lawrence E. Walsh. (U)

White House documents provide little detail about Dutton's activities, but Second's testimony offers useful information about Dutton's role in the Iran/Contra affair. (U)

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B. Secord's Testimony Pertaining to Dutton

1. Hiring Dutton

By the spring of 1986 Secord had become concerned about the effectiveness of his airlift operation. He was troubled by the unexpected maintenance problems and spare parts shortages plaguing the enterprise's aircraft. He also worried that he had not yet successfully launched a southern mission into Nicaragua. Accordingly, in May 1986 Secord called upon Dutton to generate "some operational capability" in the airlift operation. (Secord, May 5, 1987, 67.) At this point, Dutton replaced Richard Gadd in directing the resupply effort. (U)

Second apparently worked out an agreement with Albert Hakim such that Stanford Technology Trading Group International (STTGI) would be reimbursed from Udall Resources for Dutton's services. According to Second, Dutton was paid \$5,000 per month. (Second, May 7, 1987, a.m., 38.) (U)

2. Analysis of the Contra Supply Effort

Dutton was tasked by Secord to analyze the airlift operation. In a memorandum dated June 4, 1986, Dutton outlined to Secord some of the problems with the Contra supply operation and noted that ACE, a company associated with Richard Gadd, had been invoicing Secord's enterprise at a rate of profit in excess of 50 percent. Secord testified that he directed payments to ACE and monitored the profit charges. Secord refused to admit, however, that he approved excessive profits for ACE or Gadd. Secord did acknowledge that monies paid to Gadd came out of funds generated by the Iranian arms sales, Secord's direct arms sales to Calero and private contributions. (Secord, May 7, 1987, a.m., 44-45.) Dutton may be asked to comment on profits received by companies hired by Secord for the airlift operation. (U)

Dutton also participated in the development of a reorganization plan at least one purpose of which was to cover Secord's and North's participation in the Contra supply operation. (U)

During the summer of 1986 Second directed Dutton to analyze and document the assets of Second's enterprise. Dutton prepared a detailed memorandum setting forth the monetary value of the spare parts, aircraft, munitions, tools and warehouses held by the enterprise. He also outlined a number of options for disposing of the assets. (U)

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One option was to sell the assets to the CIA at a price of approximately four million dollars with the proceeds of the sale "going back into a fund for continued similar requirements." Although Dutton labeled this the "preferred option," Second insisted that he always intended to give the assets to the CIA free of charge. (Second, May 5, 1987, 107-108.) (U)

Later during cross-examination, Arthur Liman read from testimony by Dutton dated February 4, 1987. Dutton apparently said that Secord outlined the various options to be placed in the memorandum and approved the working paper (and by implication the "preferred option") for distribution to North. Secord's recollection was that he and North had decided that the best option was to give the assets to the CIA. (Secord, May 7, 1987, a.m., 83, 90.) (U)

In light of Dutton's previous testimony and that of Secord, Dutton may be questioned again on this matter. (U)

3. Visit by Felix Rodriguez

Secord testified that in August 1986 North and Dutton met with Felix Rodriguez to discuss Rodriguez's complaints with the airlift operation. (Secord, May 5, 1987, 68.) It was Secord's understanding, based on the fact that Dutton had apparently accompanied the group to a Vice Presidential office, that Rodriguez later met with Donald Gregg and the Vice President. (Secord, May 6, 1987, p.m., 156.) (U)

White House records reveal, however, that Dutton was only cleared into the White House complex for one meeting on June 25, 1986, with North and Rodriguez. Secord's testimony about an August 1986 meeting among Dutton, Rodriguez, North and Don Gregg of the Vice President's staff is in error. In fact, on June 25, Dutton did accompany Rodriguez to Gregg's office, but for a meeting with Col. Watson only. Gregg was not in the country at this time. (U)

Nevertheless, it is likely that Dutton will be asked to provide his account of the meeting described by Secord. More importantly, Dutton may be questioned about Rodriguez's specific complaints with Secord's resupply operation, including charges of corruption and profiteering. (U)

C. Shipment of Arms to Iran

Press accounts and White House documents indicate Dutton's participation in arms sales to Iran. Details of his participation are sketchy, however, and it is likely that Dutton will be asked to describe his role in the transactions, including information about the hiring of air crews and leasing and purchasing of aircraft. (U)

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Dutton was instrumental in arranging for secure communications for the October-November 1986 transaction of arms to Iran. (S)

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D. Phone Call from Noel Koch

On November 25, 1986, Second received a phone call from Noel Koch, a former Deputy Assistant Secretary of Defense. In this conversation, Second told Koch that he had spoken to Admiral Poindexter earlier that morning, i.e., before the President and the Attorney General announced the discovery of the diversion of funds to the Contras. Although Second did not previously testify about his conversation with Koch, Dutton was in Second's office when the call arrived and he may be asked about it. (S)

E. <u>Conclusion</u>

White House records do not indicate any meetings between Dutton and the President. However, Dutton is expected to provide significant details about the planning, logistics and finances of the Contra supply operation headed by Second. (U)

Dutton is expected to begin testifying in place of Albert Hakim on Wednesday, May 27, 1987. (U)

WASHINGTON

May 26, 1987

MEMORANDUM FOR HOWARD H. BAKER, JR. RHETT B. DAWSON KENNETH M. DUBEPSTEIN M. MARLIN FITZWATER THOMAS C. GRISCOM

FROM: ARTHUR B. CULVAHOUSE, JR. / DV COUNSEL TO THE PRESIDENT

SUBJECT: Testimony of Albert Hakim

Attached is a summary prepared by Counsel's office of the anticipated testimony of Albert Hakim, scheduled to testify this week at the Iran/Contra hearings.

Attachment

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WASHINGTON

May 21, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM: WILLIAM B. LYTTON III

SUBJECT: TESTIMONY OF ELLEN GARWOOD, WILLIAM O'BOYLE AND JOSEPH COORS, MAY 21, 1987 (MORNING SESSION)

David Howard and Archie Bolster observed the testimony of Ellen Garwood, William O'Boyle and Joseph Coors and report as follows:

I. Overview

Three private benefactors to the Nicaraguan Freedom Fighters, Ellen Garwood, William O'Boyle and Joseph Coors, testified jointly this morning.

A. Ellen Garwood

Ellen Garwood testified about several meetings with Oliver North and Carl Channell. At one meeting in Dallas, Adolfo Calero was also present.

There were never any discussions of contributions when North was present. North simply described the Contras' humanitarian and military needs. On one occasion, he apparently provided a list of weapons needed by the Contras. After North left these meetings, Channell would ask for a specific amount. Garwood gave a total of approximately \$2.8 million to NEPL for the Freedom Fighters. Garwoood also testified that she was later told that Channell took 35 percent of all contributions as "overhead."

B. William O'Boyle

O'Boyle was asked by Channell's associate, Jane McLaughlin, to come to a briefing on March 27, 1986 at the OEOB concerning Nicaragua. North spoke at the briefing concerning the danger the Sandinistas posed. The next morning, North, Channell and O'Boyle had breakfast together. North said, "I can't ask for money, but I can provide information." North proceeded to talk of the Contras' need for small "Maule" aircraft. After North left, Channell told him how much these aircraft cost (\$65,000 apiece). O'Boyle contributed \$130,000 for two such aircraft. In another meeting with O'Boyle on April 29, 1986, North told O'Boyle about a "secret" strategy for the Contras. Under questioning by Congressman Stokes, O'Boyle described the plan. The strategy was that the Contras would seize a small part of Nicaragua and establish a provisional government. The U.S. would recognize that government and establish a naval blockade to cut off the Sandinistas. This plan would be implemented quickly if Congress refused to appropriate aid to the Contras and more slowly if Congress appropriated the requested aid. North also implied to O'Boyle that the U.S. had intercepted communications from the KGB to the Nicaraguan government.

C. Joseph Coors

In June, 1985, Coors asked to meet with DCI Casey to find out how Coors could help the Freedom Fighters. At the meeting on June 18, 1985, Casey said that he could not help, but set up a meeting between Coors and North for that same day. North showed Coors brochures about Maule aircraft and described the Contras' need for them. North told Coors the price of these aircraft was \$65,000 apiece. When Coors indicated his willingness to donate this amount, North provided him with a Swiss bank account number for Lake Resources, Inc.

II. The President's Involvement

A. Diversion

There is nothing to report.

B. Boland Amendment

See Section II. E.

C. Iran Operations

There is nothing to report.

D. Third Country Aid to Contras

There is nothing to report.

- E. Private Support to Contras
- (1) Garwood

In April, 1986, Channell called Garwood and asked her to come to Washington. He told her that he would be calling upon her to make a much larger contribution than those she had previously made and that she would be meeting with both the President and Colonel North. Garwood testified that she did meet with the President during this visit. Mrs. Garwood later said that at that meeting, the President gave no indication that he was aware of the amount of any of her contributions; the military purpose of any contributions; or of Channell's representation that her contributions were deductible. In fact, Garwood said

WASHINGTON

May 21, 1987



MEMORANDUM FOR HOWARD H. BAKER, JR. KENNETH M. DUBERSTEIN THOMAS C. GRISCOM M. MARLIN FITZWATER

FROM: ARTHUR B. CULVAHOUSE, JR./ COUNSEL TO THE PRESIDENT

SUBJECT: Testimony of Ellen Garwood, Joseph Coors and William O'Boyle at the Iran/Contra Hearings

Ellen Garwood, Joseph Coors and William O'Boyle are scheduled this morning to testify before the House and Senate Select Committees regarding Jran/Contra matters. Attached is an anticipatory summary prepared by Counsel's office outlining the potential areas of inquiry that may arise.

cc: William B. Lytton, III

that the purpose of this meeting had nothing to do with donations to Channell's organization. Garwood did not say who else attended this meeting. We have no record of this meeting, but our records show that Mrs. Garwood did have lunch with David Fischer on April 11, 1986. She gave a total of over \$2.4 million to NEPL in April and May, 1986.

Mrs. Garwood was present at a briefing for NEPL and American Conservative Trust on January 30, 1986. North, Eliot Abrams and the President spoke. None of these individuals mentioned the need for more funds or military supplies. Garwood remembers the President thanking the group for "taking the matter to heart" and helping out. She cannot remember whether the President explicitly thanked the group for their humanitarian aid, but that was the "tenor" of his speech. She was sure the President had said several times on television that he wanted private individuals to give humanitarian aid to the Contras.

(2) O'Boyle

At dinner at the Hay-Adams on March 27, 1986, O'Boyle indicated his willingness to give money for weapons. Channell told him that the President relied on a "small group of people" to make "that type of contribution." At breakfast the next morning, before North's arrival, Channell told O'Boyle that if he donated \$300,000 or more the President would personally thank him in an "off the record meeting." Channell told O'Boyle there would be no record of O'Boyle's meeting with the President. A few days later, when O'Boyle delivered \$130,000 to Channell, Channell called North to the Hay-Adams. Channell told O'Boyle that he could meet with the President if he gave \$300,000 or became a "fund-raiser." North neither confirmed nor denied this representation. O'Boyle eventually donated an additional \$30,000. He never met with the President.

(3) Coors

Coors described himself as a friend of the President who has met with the President frequently. Coors, however, said he has never discussed the Freedom Fighters' situation with the President.

F. November, 1986 Chronologies

There is nothing to report.

III. Continuation of Hearing

The hearings will continue at 2:30 p.m. General Singlaub will continue his testimony at that time.

WASHINGTON

May 21, 1987

MEMORANDUM FOR HOWARD H. BAKER, JR. RHETT B. DAWSON KENNETH M. DUBERSTEIN M. MARLIN FITZWATER THOMAS C. GRISCOM

FROM: ARTHUR B. CULVAHOUSE, JR. COUNSEL TO THE PRESIDENT

SUBJECT: Testimony of Ellen Garwood, William O'Boyle and Joseph Coors, May 21, 1987

Attached is a summary prepared by Counsel's office of the testimony of Ellen Garwood, Joseph Coors and William O'Boyle during this morning's session of the Iran/Contra hearings.

Attachment

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WASHINGTON

May 20, 1987

MEMORANDUM FOR HOWARD H. BAKER, JR. RHETT B. DAWSON KENNETH M. DUBERSTEUN M. MAPLIN FITZWATER THOMAS C. GPISCOM

FROM: ARTHUR B. CULVAHOUSE, JR/

SUBJECT: Testimony of Adolfo Calero May 20, 1987

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Attached is a summary of Adolfo Calero's testimony for this morning's session of the Iran/Contra hearings.

Attachment

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WASHINGTON

May 20, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM: WILLIAM B. LYTTON III UL

SUBJECT: TESTIMONY OF ADOLFO CALERO MAY 20, 1987, MORNING SESSION

Paul Colby and Patrick Duffy observed the testimony of Adolfo Calero and report as follows:

I. Overview

Adolfo Calero testified that he recently was elected as a director of the Nicaraguan Resistance. He opposed the Somoza regime in its time and was jailed by it, and he opposed the Sandinistas when they took power. He recalled meeting LtCol North in Honduras in May or June 1984 and receiving a "pep talk" from him to the effect that President Reagan would keep on pushing the Contra cause. Calero could recall, however, no mention by North at that time of efforts to solicit money from private or governmental sources. Calero by July 1984 gave bank account numbers to North, as well as Generals Secord and Singlaub. Secord at one point told Calero he had friends in the Mid-east from whom he might be able to raise between \$15-25 million. The Contras eventually received nearly \$34 million in private and Third Country contributions.

Calero conceded having met with North some 50 times and testified that he kept North comprehensively informed of the Contras' needs, arms acquisitions, finances, etc. At one point, North advised Calero in early spring 1985 of a need for money to finance an effort to free U.S. hostages in Lebanon, and Calero in several later meetings with North provided him with blank traveler's checks totalling approximately \$90,000. At one point, North and Calero agreed that direct payments of support to other Contra leaders by Calero would be impolitic. From these discussions, Calero deduced that some of the \$90,000 he had given to North was being transferred to these other leaders. A diagram displayed by the Committee detailing where many of the traveler's checks had been cashed by North (e.g., Giant Food) indicated some expenditures by North on personal items (e.g., snow tires).

Calero testified that in his many discussions with North, North would from time to time advise him of a "massing" of Sandinista troops in a given area, or of some other tactical displacement of Sandinista forces constituting a threat to Contra forces. He acknowledged receiving photographs pertaining to the delivery of Soviet-made helicopters to Managua and maps annotated with the location of radar installations and troop concentrations. He was uncertain in testimony on exactly who (American or Contra) had made the annotations, and from whom the maps and photographs had been received. He acknowledged tactical discussions with North on the merits of attacking the Soviet-made helicopters while they were in the air or on the ground, but asserted having planned no specific military operations with North.

Calero was questioned by Senator William Cohen (R-Me) about the military purposes of the Contra forces during the time of the 1983 Boland Amendment ban of spending of CIA and DoD funds to overthrow the Sandinista regime or provoke a conflict between it and Honduras. Calero acknowledged that it was indeed the purpose of the Contras to overthrow the Sandinista regime during that time period, and that Contra efforts were not limited during that time to a mere effort to interdict Sandinista supply lines into El Salvador, which was the stated position of the Reagan Administration at that time.

II. The President's Involvement

A. Diversion

Calero stated that in his several meetings with the him, the President did not state or give any indication that he knew funds from the sales of weapons to Iran were being diverted to the Contras.

B. Boland Amendment

In his several meetings with the President, Calero never mentioned solicitation of funds from private sources or Third Country governments and never mentioned his extensive contacts with LtCol North.

C. Iran Operations

There is nothing to report.

D. Third Country Aid to Contras

See Section B above.

E. Private Support to Contras

See Section B above.

F. November 1986 Chronologies

There is nothing to report.

Continuation of Hearing

The afternoon session will continue with further examination of Mr. Calero by Congressmen.

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THE WHITE HOUSE

WASHINGTON

May 20, 1987



MEMORANDUM FOR HOWARD H. BAKER, JR. RHETT B. DAWSON KENNETH M. DUBERSTEIN M. MARLIN FITZWATER THOMAS C. GRISCOM

FROM: ARTHUR B. CULVAHOUSE, JR. COUNSEL TO THE PRESIDENT

SUBJECT: GENERAL JOHN K. SINGLAUB--Potential Testimony Subject Areas

Major General John K. Singlaub is expected to follow Adolfo Calero as the next witness at the Iran/Contra hearings. Calero's testimony begins today.

Attached is a classified memorandum prepared under Bill Lytton's direction which summarizes the anticipated lines of inquiry which may be explored during General Singlaub's testimony at the Iran/Contra hearings. This analysis is based upon the documents available to The White House, prior testimony and publicly available information. We expect that there are additional relevant documents (from other agencies and/or from private individuals) and other relevant information which are unavailable to us.

Note that the "Diary" referred to in the attached summary is the official record of the President's schedule and is not the President's personal diary. Bill Lytton and I are the only White House representatives with access to the relevant typed diary excerpts.

Attachment

cc: William B. Lytton, III

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THE WHITE HOUSE

WASHINGTON

May 19, 1987

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MEMORANDUM FOR HOWARD H. BAKER, JR. RHETT B. DAWSON KENNETH M. DUBERSTEIN M. MARLIN FITZWATER THOMAS C. GRISCOM

FROM: ARTHUR B. CULVAHOUSE, JA COUNSEL TO THE PRESIDENT

SUBJECT: Testimony of Robert Owen May 19, 1987

Attached is a summary of Robert Owen's testimony for this morning's session of the Iran/Contra hearings.

Attachment

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THE WHITE HOUSE

WASHINGTON

May 19, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM: WILLIAM B. LYTTON III

SUBJECT: TESTIMONY OF ROBERT OWEN MAY 19, 1987, MORNING SESSION

David Howard and J. C. Sharp observed the testimony of Robert Owen and report as follows:

Overview

Robert Owen continued his testimony this morning concerning his role as Oliver North's "eyes and ears." Owen described how, on three separate occasions in late 1985 at the direction of retired General Richard Secord and Oliver North, Owen picked up cash in New York City and brought it to either Secord or North. During the same time period, North directed Owen to take an envelope with a bank account number in it from North to a representative of the government of [Taiwan]. (TS)

At the request of UNO leaders and North, IDEA, Owen's non-profit corporation, became a consultant to the Nicaragua Humanitarian Assistance Office ("NHAO") in the fall of 1985. Despite a prohibition contained in the NHAO contract against getting involved in lethal aid, Owen continued contact with North regarding the Contras' military needs. Owen testified that Ambassador Duemling was not aware of the details of Owen's activities, but was aware that Owen and North were close. Owen testified that at one time NHAO hired an aircraft which had previously been involved in drug running and that at least some members of the aircraft's crew had criminal records. According to Owen, CIA had recommended the organization which provided this plane to NHAO. Owen also described contact with CIA personnel in Central America in August 1985 and March 1986 for purposes relating to lethal aid. (U)

Owen wrote North several memos concerning the status of the Contras. When Owen asked North what happened to the memos he wrote, North said that they went "across the street," which Owen took to mean to the National Security Advisor (who, at that time, was Robert McFarlane). (U)

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On a half dozen occasions or more, North told Owen that if North's activities became public, North would become the "fall guy." In addition, North, Owen, and Johnathan Miller joked at times that they might all have to go to jail for their activities. When North's involvement did start to become public, North told Owen that he would not have done what he did without authority. (U)

The President's Involvement

1. Diversion

There is nothing to report. (U)

2. Boland Amendment

There is nothing to report. (U)

3. Iran Operations

There is nothing to report. (U)

4. Third Country Aid to Contras

Second told Owen that Second had met with Prince Bandar prior to the President's meeting with King Fahd. (U)

5. Private Support to Contras

Owen testified that he is sure that the President did not know who Rob Owen was. Owen said that he assumed that the President generally knew of North's activities, but Owen has no specific knowledge. (U)

6. November 1986 Chronology

There is nothing to report. (U)

Continuation of Hearing

Owen will continue his testimony at 2:00 p.m. this afternoon. The next witness will be Adolfo Calero. General Singlaub will follow Calero. (U)