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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name CULVAHOUSE, ARTHUR B.:FILES

Withdrawer

DLB 2/20/2014

File Folder IRAN/ARMS TRANSACTION: KARNA SMALL

FOIA

S643

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SYSTEMATIC

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
164242	PAPER	ADDENDUM TO MEMO	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]
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- 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]

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THE WHITE HOUSE

WASHINGTON

(Dictated on 4/24/87)

Unclassified with
TOP SECRET Attachment

Ab 2/20/14
May 8, 1987

MEMORANDUM FOR THE FILE

FROM: PETER D. KEISLER *PK*
SUBJECT: Interview of Karna Small

On April 24, 1987, Karna Small was interviewed by Bud Hall (House Select Committee) and Victoria Nourse (Senate Select Committee). Dean McGrath and I attended this interview. The interview began at 3:50 p.m. and ended at approximately 4:30 p.m.

Small stated that she is currently employed as a Senior Vice President at Hill & Knowlton, a public relations and public affairs firm. She said that she has held this position since October 1, 1986. Small said that she entered the White House in January of 1981 to work in the Press Office, that she then moved to the Office of Media Relations and Planning, and that in March of 1984 she joined the NSC staff as Senior Director, Public Affairs, and as Deputy Assistant to the President.

Small said that she acted as a press secretary for the NSC adviser and his staff. She said that she wrote speeches and talking points for the NSC adviser, and handled press requests for interviews, took press calls, and arranged background briefings for the rest of the staff. Small said that she worked with Ed Djerejian in gathering guidance for the two daily White House press briefings. Small said that they would coordinate their responses with the State Department, the Defense Department, CIA, and USIA in advance of the noon daily briefing given by the State Department.

Small said that she first learned about the Iran arms initiative after she left the NSC staff, when she read about it in the newspapers. Small said that covert actions were not discussed with the press officers.

Small was asked what knowledge she had of North's activities "on the Contra account." Small said that on the basis of her attendance at the daily staff meetings, she knew that the Contras were North's account. Small said that North was a frequent briefer at the White House in meetings arranged by the Office of Public Liaison. Small said that during the time in which Faith

Whittlesey headed the Office of Public Liaison there were almost weekly meetings on the subject, and North would often go to those meetings and brief the guests. Small said that she had heard that North was very effective, and that she knows that he was very concerned about Central America.

Small said that she did not deal with congressional committees, or requests from individual Congressmen. Small said that she occasionally would call Congressmen on press-related matters. Small said that she did not act as a lobbyist on the Hill.

Small said that she did not know about the operational details of North's activities.

Small said that she has never met General Secord.

Small said that the press asked her about North's activities. Small said that there were questions about North's involvement with private groups, and that she remembers at least one question concerning Secord. Small said when such matters arose, she would send North, McFarlane, or Burghardt -- whoever was on the account -- a PROF note, or arrange to see that person at a meeting, and tell him that a story was being written on the matter in question and ask how he wished her to respond. Small said that North, or whoever, would call her, or send a PROF note back. Small said that sometimes reporters would wish to meet with North, and that more often than not North would decline requests for interviews. Small said that sometimes North would send a note saying "I don't wish to comment." Small said that sometimes North would tell her to issue a denial: "That's a ridiculous allegation. Knock it down."

Small said that one summer there was an exchange of letters with one of the congressional committees, and she believes that it involved Congressman Barnes. Small said that she did not see the letters or the responses at issue.

Small said that McFarlane told her to respond to inquiries on Contra-related activities by stating that "we are following the letter and spirit of the law." Small said that she did not question that instruction.

Small was asked whether she had any evidence that North was acting in violation of the law. Small responded that she had no personal knowledge of that, and that she never saw North do anything against the law. Small said that the press would sometimes ask her what North would do if guests at a briefing wished to contribute to the Contras, i.e., whether he was the conduit for such contributions. Small said that whenever she asked that question of North, North told her that if someone wished to contribute, he would give that person the address or phone number of the Contra office. Small said that North told her that "we do not take money here," that he was just giving the facts in the briefings, and that if some "good people" wished to

contribute, he would direct them to the Contras. Small said that North told her that he did not solicit funds. Small said that she had no knowledge of North conducting solicitations.

Small was shown an unclassified March 24, 1986 PROF note on "The Contra Negotiations," from her to Ron Sable and North. That note stated that she had received a letter from a citizen outside the government suggesting a strategy for winning congressional support for Contra aid. Small said that she thought the idea was a good one and was passing it along.

Small was shown a June 19, 1986 letter to her from Alfonso Chardy, a reporter for the Miami Herald. In that letter, Chardy stated that to his knowledge a "network of private operatives" was "assisting the White House" by providing aid to the Contras during a period of time in which congressional restrictions were in force. Small said that Chardy wrote to the NSC a great deal. Small said that her best recollection is that North chose not to respond to this inquiry -- "he often did not respond to Chardy's stuff." The document included a note from Small to North asking for his guidance on the matter.

Small was shown an August 29, 1986 memorandum from Fawn Hall describing a call Hall received from Small concerning two press inquiries. The first inquiry concerned whether North was involved in persuading the Panamanian government to release a ship that was carrying eastern bloc arms to El Salvador. The second inquiry concerned people being held in a Brazilian jail for planning a coup in Guyana, and whether North was behind the coup attempt. Small said that she received a derisive response to these inquiries, i.e., "North is being blamed for everything now, that's ridiculous, knock it down."

[Small was then shown certain classified memoranda. The discussion regarding those memoranda is summarized in a classified addendum to this memorandum.]

Small was shown a November 8, 1985 memorandum from her to North on the subject of "Congressman Barnes and the Media." The memorandum explained that Small had just received a call from Bob Perry of AP concerning the exchange of letters with Congressman Barnes. Small said that the guidance she received was that the NSC staff did not comment on its private correspondence with Congressmen.

Small said that the last time she spoke with North was at the wedding last summer of Wilma Hall's daughter.

cc: Arthur B. Culvahouse, Jr.
Jay B. Stephens
William B. Lytton III
C. Dean McGrath
Alan C. Raul
Paul Schott Stevens
Paul L. Colby

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