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THE WHITE HOUSE

WASHINGTON

November 6, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM: ALAN CHARLES RAUL 

SUBJECT: Declassification of Report:  
"Origins of This Report"

This section of the Report is 63 pages long and arrived for declassification on November 5. The salient points are listed below:

P. 1 - "On November 3, 1986, Al-Shiraa, a Lebanese weekly, reported that the United States had secretly sold arms to Iran. Subsequent reports claimed that the purpose of the sales was to win the release of American hostages in Lebanon. These reports seemed unbelievable: few principles of U.S. policy were stated more forcefully by the Reagan Administration than refusing to traffic with terrorists or sell arms to the Government of the Ayatollah Khomeini of Iran.

Although the Administration initially denied the reports, by mid-November it was clear that the accounts were true. The United States had sold arms to Iran and had hoped thereby to gain the release of American hostages in Lebanon. However, even though the Iranians received the arms, just as many Americans remained hostage as before. Three had been freed, but three more had been taken during the period of the sales.

There was still another revelation to come: on November 25 the Attorney General announced that proceeds from the Iran arms sales had been 'diverted' to the Nicaraguan resistance at a time when U.S. military aid to the Contras was prohibited.

Iran and Nicaragua -- twin thorns of U.S. foreign policy in the 1980s -- were thus linked in a credibility crisis which raised serious questions about the adherence of the Administration to the Constitutional processes of Government."

P. 2 - "The Iran/Contra Affair, as it came to be known, carried such serious implications for U.S. foreign policy, and for the rule of law in a democracy, that the 100th Congress determined to undertake its own investigation of the Affair."

P. 3 - "The conclusions in this Report are based on a record marred by inconsistent testimony and failure on the part of several witnesses to recall key matters and events. Moreover, a key witness -- Director of Central Intelligence William J. Casey -- died, and members of the NSC staff shredded relevant objective evidence that could have resolved the inconsistencies and overcome the failures of memory was denied to the Committees -- and to history."

P. 4 - "The President cooperated [to an unprecedented extent] with the investigation. He did not assert executive privilege; he instructed all relevant agencies to produce their documents and witnesses; and he made extracts available from his personal diaries, although he rejected the Committees' request to refer to those entire in this report on the ground that he did not wish to establish a precedent for future Presidents.

The Committees also received unprecedented cooperation from a sovereign nation, the State of Israel. Although not willing to allow its officials to be examined, the Government of Israel assembled and furnished the Committees with extensive materials and information, including information affecting its national security."

P. 7 - "The statutory provision cutting off funds, known as the Boland Amendment, was part of a fiscal year 1985 omnibus appropriations bill, and was signed into law by the President on October 12, 1984.

Still, the President felt strongly about the Contras, and he ordered his staff in the words of his National Security Adviser, to find a way to keep the Contras 'body and soul together.' Thus began the story of how the staff of a White House advisory body, the NSC, became an operational entity that secretly ran the Contra assistance effort, and later the Iran initiative. The action officer placed in charge of both operations was Lt. Col. Oliver L. North."

P. 8 - "Denied funding by Congress, the President turned to third countries and private sources. Between June 1984 and the beginning of 1986, the President, his National Security Adviser, and the NSC staff secretly raised \$34 million for the Contras from other countries. An additional \$3 million was raised during 1985 and 1986 from private contributors, who were addressed by North and occasionally granted photo opportunities with the President."

P. 9 - "The Enterprise, functioning largely at North's direction, had its own airplanes, pilots, airfield, operatives, ship, secure communications devices, and secret Swiss bank accounts. For 16 months, it served as the secret arm of the NSC staff, carrying out with private and non-appropriated money, and without the accountability or restrictions

imposed by law on the CIA, a covert Contra aid program that Congress thought it had prohibited.

Although the CIA and other agencies involved in intelligence activities knew that the Boland Amendment barred their involvement in covert support for the Contras, North's Contra support operation received logistical and tactical support from various personnel in the CIA and other agencies. CIA personnel in Central America gave their assistance. The U.S. Ambassador in Costa Rica, Lewis Tambs, provided his active assistance. The U.S. Ambassador in Costa Rica, Lewis Tambs, provided his active assistance. North also enlisted the aid of Defense Department personnel in Central America, and obtained secure communications equipment from an official of the National Security Agency. The Assistant Secretary of State with responsibility for the region, Elliott Abrams, professed ignorance of this support. He later stated that he had been 'careful not to ask North lots of questions.'

- P. 10 - ". . . the operation functioned without any of the accountability required of Government activities. It was an evasion of the Constitution's most basic check on Executive action -- the power of the Congress to grant or deny funding for Government programs . . . When the press reported in the summer of 1985 that the NSC staff was engaged in raising money and furnishing military support to the Contras, the President publicly denied the report."
- P. 11 - "When one of Secord's planes was shot down over Nicaragua on October 5, 1986, the President and several advisers assured the public that the U.S. Government had no connection with the flight or the captured American crew member, Eugene Hasenfus. Several senior Government officials, including Elliott Abrams, gave similar assurances to Congress."
- P. 12 - "During the period when the Administration was denying to Congress that it was involved in supporting the Contras' war effort, it was engaged in a campaign to alter public opinion and change the vote in Congress on Contra aid. Public funds were used to conduct public relations activities; and certain NSC staff members, using the prestige of the White House and the promise of meetings with the President, helped raise private donations both for media campaigns and for weapons to be used by the Contras."
- P. 13 - "The Administration, like Members of Congress, may appeal directly to the people for support of its positions; and government agencies may legitimately disseminate information and educational materials to the public. However, by law appropriated funds may not be used to generate propaganda 'designed to influence a Member of Congress'; and by law, as interpreted by the Office of the Comptroller General,

appropriated funds may not be used by the State Department for 'covert' propaganda activities. A GAO report concluded that S/LPD's 'public diplomacy' activities violated the ban on arranging 'white propaganda.'"

- P. 14 - "Channell's major contributors were given private briefings by North, and were afforded private visits and photo sessions with the President. On one occasion, President Reagan participated in a briefing.

Using the donated money, Channell ran a series of television advertisements in 1985 and 1986 some of which were directed at television markets covering the home districts of Congressmen considered to be 'swing' votes on Contra aid. One series of advertisements was used to attack Congressman Mike Barnes, a principal opponent of Contra aid, and one of the Congressmen to whom Administration officials had denied violating the Boland Amendment in September of 1985. Channell later boasted to North that he had 'participated in a campaign to ensure Congressman Barnes' defeat.'"

- P. 15 - "In private fundraising as in the 'white propaganda' campaign, the goal of supporting the Contras was allowed to override sensitivity to law and to accepted norms of behavior . . . in the summer of 1985, the Government of Israel proposed that missiles be sold to Iran in return for the release of seven American hostages held in Lebanon and the prospect of improved relations with Iran."

- P. 16 - ". . . in the summer of 1985, the President authorized Israel to proceed with the sales. The NSC staff conducting the Contra covert action also took operational control of implementing the President's decision on arms sales to Iran. The President did not sign a Finding for this covert operation, nor did he notify the Congress."

- P. 17 - "In early December 1985, the President signed a retroactive Finding purporting to authorize the November HAWK transaction. That Finding contained no reference to improved relations with Iran. It was a straight arms-for-hostages Finding. National Security Adviser Poindexter destroyed this Finding a year later because, he testified, its disclosure would have been politically embarrassing to the President.

The November HAWK transaction had additional significance. The Enterprise received a \$1 million advance from the Israelis. North and Secord testified this was for transportation expenses in connection with the 120 HAWK missiles. Since only 18 missiles were shipped, the Enterprise was left with more than \$800,000 in spare cash. North directed the Enterprise to retain the money and spend it for the Contras. The 'diversion' had begun."

- P. 18 - "When the CIA's General Counsel pointed out that authorizing Israel to sell its U.S.-manufactured weapons to Iran might violate the Arms Export Control Act, the President, on the legal advice of the Attorney General, decided to authorize direct shipments of the missiles to Iran by the United States and signed a new Finding on January 17, 1986."
- P. 19 - "The diversion, for the Contras and other covert activities, was not an isolated act by the NSC staff. Poindexter saw it as 'implementing' the President's secret policy that had been in effect since 1984 of using non-appropriated funds following passage of the Boland Amendment.

According to North, CIA Director Casey saw the 'diversion as part of a more 'grandiose plan to use the Enterprise as a 'stand-alone,' 'off-the-shelf,' covert capacity that would act throughout the world while evading Congressional review. To Casey, Poindexter, and North, the diversion was an integral part of selling arms to Iran and just one of the intended uses of the proceeds."

- P. 23 - ". . . by permitting private parties to conduct the arms sales, the Administration risked losing control of an important foreign policy initiative. Private citizens -- whose motivations of personal gain could conflict with the interests of this country -- handled sensitive diplomatic negotiations, and purported to commit the United States to positions that were anathema to the President's public policy and wholly unknown to the Secretary of State.

#### C. The Coverup

The sale of arms to Iran was a 'significant anticipated intelligence activity.' By law, such an activity must be reported to Congress 'in a timely fashion' pursuant to Section 501 of the National Security Act . . . . the Administration went to considerable lengths to avoid notifying Congress. The CIA General Counsel wrote on January 15, 1986, 'the key issue in this entire matter revolves around whether or not there will be reports made to Congress.'"

- P. 26 - "While the President was denying any illegality, his subordinates were engaging in a coverup. Several of his advisers had expressed concern that the 1985 sales violated the Arms Export Control Act, and a 'cover story' had been agreed on if these arms sales were ever exposed. After North had three conversations on November 18, 1986 about the legal problems with the 1985 Israeli shipments, he, Poindexter, Casey, and McFarlane all told conforming false stories about U.S. involvement in these shipments.

With McFarlane's help, North rewrote NSC staff chronologies on November 19 and 20, 1986 in such a way that they denied contemporaneous knowledge by the Administration of Israel's shipments to Iran in 1985. They asserted at one point that the U.S. Government believed the November 1985 shipment consisted of oil-drilling equipment, not arms."

- P. 28 - "On learning that the President had authorized the Attorney General to gather the relevant facts, North and Poindexter shredded and altered official documents on November 21, 1986 and later that weekend. On November 25, 1986, North's secretary concealed classified documents in her clothing and, with North's knowledge, removed them from the White House.

According to North, a 'fall guy' plan was proposed by Casey in which North and, if necessary, Poindexter, would take the responsibility for the covert Contra support operation and the diversion. On Saturday November 22, 1986, in the midst of these efforts to conceal what had happened, Poindexter had a two and one half hour lunch with Casey. Yet Poindexter could not recall anything that was discussed . . . .

Prior to the discovery of the diversion memorandum, each interview by the Attorney General's fact finding team was conducted in the presence of two witnesses, and careful notes were taken in accordance with standard professional practices. After discovery of the diversion memorandum -- which itself gave rise to an inference of serious wrongdoing -- the Attorney General departed from these standard practices. A series of important interviews -- Poindexter, McFarlane, Casey, Regan, and Bush were conducted by the Attorney General alone, and no notes were made.

The Attorney General then announced at his November 25 press conference that the diversion had occurred and that the President did not know of it. But he made several incorrect statements about his own investigation. He stated that the President had not known of the Israeli pre-Finding shipments, and he stated that the proceeds of the arms sales had been sent directly from the Israelis to the Contras. These statements were both mistaken and inconsistent with information that had been received during the Attorney General's fact-finding inquiry.

Poindexter testified to these Committees that the President did not know of the diversion. North testified that while he assumed the President had authorized each diversion, Poindexter told him on November 21, 1986 that the President had never been told of the diversion.

In light of the destruction of material evidence by Poindexter and North and the death of Casey, all of the facts may never be known. The Committees cannot even be

sure whether they heard the whole truth or whether Casey's 'fall guy' plan was carried out at the public hearings. But enough is clear to demonstrate beyond doubt that fundamental processes of governance were disregarded and the rule of law was subverted."

P. 30 - "II. Findings and Conclusions

The common ingredients of the Iran and Contra policies were secrecy, deception, and disdain for the law. A small group of senior officials believed that they alone knew what was right. They viewed knowledge of their actions by others in the Government as a threat to their objectives. They told neither the Secretary of State, the Congress nor the American people of their actions. When exposure was threatened, they destroyed official documents and lied to Cabinet officials, to the public, and to elected representatives in Congress. They testified that they even withheld key facts from the President . . . .

A. Policy Contradictions and Failures

The Administration's departure from democratic processes created the conditions for policy failure, and led to contradictions which undermined the credibility of the United States."

P. 34 - "B. Flawed Policy Process

The record of the Iran/Contra Affair also shows a seriously flawed policymaking process . . . . There was confusion and disarray at the highest levels of Government . . . . The President first told the Tower Board that he had approved the initial Israeli shipments. Then, he told the Tower Board that he had not. Finally, he told the Tower Board that he does not know whether he approved the initial Israeli arms shipments, and his top advisers disagree on the question.

The President told the Tower Board that he does not remember signing a Finding approving the November 1985 HAWK shipment to Iran. But Poindexter testified that the President did sign a Finding on December 5, 1985, approving the shipment retroactively. Poindexter later destroyed the Finding to save the President from embarrassment."

P. 35 - "Poindexter says the President would have approved the diversion, if he had been asked; and the President says he would not have . . . .

The President incorrectly assured the American people that the NSC staff was not supporting the Contras and that the Government was not connected to the Hasenfus airplane. His staff was in fact conducting a 'full service' covert



operation to support the Contras which they believed he had authorized."

- P. 40 - "The Administration never sought to hide its desire to assist the Contras so long as such aid was authorized by statute. On the contrary, it wanted the Sandinistas to know that the United States supported the Contras. After enactment of the Boland Amendment, the Administration repeatedly and publicly called upon Congress to resume U.S. assistance. Only the NSC staff's Contra support activities were kept under wraps. The Committees believe these actions were concealed in order to prevent Congress from learning that the Boland Amendment was being circumvented.

It was stated on several occasions that the confusion, secrecy and deception surrounding the aid program for the Nicaraguan freedom fighters, was produced in part by Congress's shifting positions on Contra aid.

But Congress's inconsistency mirrored the chameleon-like nature of the rationale offered for granting assistance in the first instance. Initially, Congress was told that our purpose was simply to interdict the flow of weapons from Nicaragua into El Salvador. Then Congress was told that our purpose was to harrass the Sandinistas to prevent them from consolidating their power and exporting their revolution. Eventually, Congress was told that our purpose was to eliminate all foreign forces from Nicaragua, to reduce the size of the Sandinista armed forces, and to restore the democratic reforms pledged by the Sandinistas during the overthrow of the Somoza regime."

- P. 42 - "The NSC staff turned to private parties and third countries to do the Government's business. Funds denied by Congress were obtained by the Administration from third countries and private citizens. Activities normally conducted by the professional intelligence services -- which are accountable to Congress -- were turned over to Secord and Hakim.

The solicitation of foreign funds by an Administration to pursue foreign policy goals rejected by Congress is dangerous and improper. Such solicitations, when done secretly and without Congressional authorization, create a risk that the foreign country will expect and demand something in return."

- P. 43 - "The Constitutional plan does not prohibit a President from asking a foreign state, or anyone else, to contribute funds to a third party. But it does prohibit such solicitation where the United States exercises control over their receipt and expenditure. By circumventing Congress' power of the purse through third-country and private

contributions to the Contras, the Administration undermined a cardinal principle of the Constitution."

- P. 44 - "Covert operations of this Government should only be directed and conducted by the trained professional services that are accountable to the President and Congress. Such operations should never be delegated, as they were here, to private citizens in order to evade Governmental restrictions.

C. Lack of Accountability

The confusion, deception, and privatization which marked the Iran/Contra Affair were the inevitable products of an attempt to avoid accountability. Congress, the Cabinet, and the Joint Chiefs of Staff were denied information and excluded from the decision-making process. Democratic procedures were disregarded.

Officials who make public policy must be accountable to the public. But the public cannot hold officials accountable for policies of which they are unaware. Policies that are known can be subjected to the test of reason, and mistakes can be corrected after consultation with the Congress and deliberation with the Executive branch itself. Policies that are secret become the private preserve of the few, mistakes are inevitably perpetuated, and the public loses control over Government."

- P. 45 - "Deniability replaced accountability. Thus, Poindexter justified his decision not to inform the President of the diversion on the ground that he wanted to give the President 'deniability.' Poindexter said he wanted to shield the President from political embarrassment if the diversion became public."

- P. 46 - "This kind of thinking is inconsistent with democratic governance. 'Plausible denial,' an accepted concept in intelligence activities, means structuring an authorized covert operation so that, if discovered by the party against whom it is directed, United States involvement may plausibly be denied. That is a legitimate feature of authorized covert operations. In no circumstances, however, does 'plausible denial' mean structuring an operation so that it may be concealed from -- or denied to -- the highest elected officials of the United States Government itself.

The very premise of democracy is that 'we the people' are entitled to make our own choices on fundamental policies. But freedom of choice is illusory if policies are kept, not only from the public, but from its elected representatives.

D. Intelligence Abuses

Covert Operations -- Covert operations, a legitimate tool of foreign policy, were misused in the Iran/Contra Affair. They were conducted in violation of virtually every known principle applicable to such operations."

- P. 47 - "The President, according to Poindexter, was never informed of the diversion. The President says he knew nothing of the covert action to support the Contras, or the companies funded by non-appropriated monies set up by North to carry out that support. Congress was not notified of either the Iran or the Contra operations.

-- Covert actions should be consistent with publicly defined U.S. foreign policy goals. Because covert operations are secret by definition, they are of course not openly debated or publicly approved. So long as the policies which they further are known, and so long as they are conducted in accordance with law, covert operations are acceptable."

- P. 48 - ". . . the Contra covert operation was carried out in violation of the country's public policy as expressed in the Boland Amendment; and the Iran covert operation was carried out in violation of the country's stated policy against selling arms to Iran or making concessions to terrorists. These were not covert actions, they were covert policies; and covert policies are incompatible with democracy . . . . In the Iran/Contra Affair, secrecy was used to justify lies to Congress, the Attorney General, other Cabinet officers, and the CIA. It was used not as a shield against our adversaries, but as a weapon against our own democratic institutions."

- P. 49 - "During the Iran initiative the NSC staff became the principal body both for gathering and coordinating intelligence on Iran and for recommending policy to the President . . . . Casey, who collaborated with North and Poindexter on the Iran and Contra programs, also tailored intelligence reports to the positions he advocated. The record shows that the President believed and acted on these erroneous reports."

- P. 50 - "In the Iran/Contra affair, the NSC staff not only combined intelligence and policy functions, but it became operational and conducted covert operations. As the CIA was subjected to greater Congressional scrutiny and regulation, a few Administration officials -- including even Director Casey -- came to believe that the CIA could no longer be utilized for daring covert operations. So the NSC staff was enlisted to provide assistance in covert operations that the CIA could not or would not furnish.

This was a dangerous misuse of the NSC staff. When covert operations are conducted by those on whom the President relies to present policy options, there is no agency in government to objectively scrutinize, challenge and evaluate plans and activities. Checks and balances are lost . . . It is the judgment of these Committees that the NSC staff should never again engage in covert operations."

P. 51 - "E. Disdain for Law

In the Iran/Contra Affair, officials viewed the law not as setting boundaries for their actions, but raising impediments to their goals. When the goals and the law collided, the law gave way:

-- The covert program of support for the Contras evaded the Constitution's most significant check on Executive power: the President can spend funds on a program only if he can convince Congress to appropriate the money.

When Congress enacted the Boland Amendment, cutting off funds for the war in Nicaragua, Administration officials raised funds for the Contras from other sources -- foreign Governments, the Iran arms sales, and private individuals; and the NSC staff controlled the expenditures of these funds through power over the Enterprise. Conducting the covert program in Nicaragua with funding from the sale of U.S. Government property and contributions raised by Government officials was a flagrant violation of the Appropriations Clause of the Constitution."

P. 52 - "A year later, members of the NSC staff were devising ways to continue support and direction of Contra activities during the period of the Boland Amendment. What was previously done by the CIA -- and now prohibited by the Boland Amendment -- would be done instead by the NSC staff.

The President set the stage by welcoming a huge donation for the Contras from a foreign Government -- a contribution clearly intended to keep the Contras in the field while U.S. aid was barred. The NSC staff thereafter solicited other foreign Governments for military aid, facilitated the efforts of U.S. fundraisers to provide lethal assistance to the Contras, and ultimately developed and directed a private network that conducted, in North's words, a 'full service covert operation' in support of the Contras.

This could not have been more contrary to the intent of the Boland legislation.

Numerous other laws were disregarded:

-- . . . Executive order, . . . It requires a written Finding before any agency can carry it out. . . . False statements to Congress . . . The application of proceeds from U.S. arms sales for the benefit of the Contra war effort violated the Boland Amendment's ban on U.S. military aid to the Contras, and constituted a misappropriation of Government funds derived from the transfer of U.S. property.

-- The U.S. Government's approval of the pre-Finding 1985 sales by Israel of arms to the Government of Iran was inconsistent with the Government's obligations under the Arms Export Control Act . . . obstructed Congressional investigations.

-- The Administration did not make, and clearly intended never to make, disclosure to the Intelligence Committees of the Finding -- later destroyed -- approving the November 1985 HAWK shipment, nor did it disclose the covert action to which the Finding related.

The Committees made no determination as to whether any particular individual involved in the Iran/Contra Affair acted with criminal intent or was guilty of any crime. That is a matter for the Independent Counsel and the courts. But the Committees reject any notion that worthy ends justify violations of law by Government officials; and the Committees condemn without reservation the making of false statements to Congress and the withholding, shredding, and alteration of documents relevant to a pending inquiry."

P. 55 - "Congress and the President

The Constitution of the United States gives important powers to both the President and the Congress in the making of foreign policy. The President is the principal architect of foreign policy in consultation with the Congress. The policies of the United States cannot succeed unless the President and the Congress work together.

Yet, in the Iran-Contra affair, Administration officials holding no elected office repeatedly evidenced disrespect for Congress' efforts to perform its Constitutional oversight role in foreign policy."

P. 56 - "Who was Responsible

Who was responsible for the Iran/Contra Affair? Part of our mandate was to answer that question, not in a legal sense (which is the responsibility of the Independent Counsel), but in order to affirm that those who serve the Government are accountable for their actions. Based on our investigation, we reach the following conclusions.

At the operational level, the central figure in the Iran/Contra Affair was Lt. Col. North, who coordinated all of the activities and was involved in all aspects of the secret operations.

North's conduct had the express approval of Admiral John Poindexter, first as Deputy National Security Adviser, and then as National Security Adviser. North also had at least the tacit support of Robert McFarlane, who served as National Security Adviser until December 1985.

In addition, for reasons cited earlier, we believe that the late Director of Central Intelligence, William Casey, encouraged North, gave him direction, and promoted the concept of an extra-legal covert organization. Casey, for the most part, insulated CIA career employees from knowledge of what he and the NSC staff were doing."

- P. 58 - "The Committee are mindful, however, of the fact that the evidence concerning Casey's role comes almost solely from North; that this evidence, albeit under oath, was used by North to exculpate himself; and that Casey could not respond. Although North told the Committees that Casey knew of the diversion from the start, he told a different story to the Attorney General in November 1986, as did Casey himself. Only one other witness, Lt. Col. Robert Earl, testified that he had been told by North during Casey's lifetime that Casey knew of the diversion.

The Attorney General recognized on November 21, 1986 the need for an inquiry. His staff was responsible for finding the diversion memorandum, which the Attorney General promptly made public. But as described earlier, his fact-finding inquiry departed from standard investigative techniques. The Attorney General saw Director Casey hours after the Attorney General learned of the diversion memorandum, yet he testified that never asked Casey about the diversion. He waited two days to speak to Poindexter, North's superior, and then did not ask him what the President knew. He waited too long to seal North's offices. These lapses placed a cloud over the Attorney General's investigation.

There is no evidence that the Vice President was aware of the diversion. The Vice President attended several meetings on the Iran initiative, but none of the participants could recall his views.

The Vice President said he did not know of the Contra resupply operation. His National Security Adviser, Donald Gregg, was told in early August 1986 by a former colleague that North was running the Contra resupply operation, and that ex-associates of Edwin Wilson -- a well known ex-CIA

official convicted of selling arms to Libya and plotting the murder of his prosecutors -- were involved in the operation. Gregg testified that he did not consider these facts worthy of the Vice President's attention and did not report them to him, even after the Hasenfus airplane was shot down and the Administration had denied any connection with it.

The central remaining question is the role of the President in the Iran/Contra Affair. On this critical point, the shredding of documents by Poindexter, North, and others, and the death of Casey, leave the record incomplete.

As it stands, the President has publicly stated that he did not know of the diversion. Poindexter testified that he shielded the President from knowledge of the diversion. North said that he never told the President, but assumed that the President knew. Poindexter told North on November 21, 1986 that he had not informed the President of the diversion. Secord testified that North told him he had talked with the President about the diversion, but North testified that he had fabricated this story to bolster Secord's morale.

Nevertheless, the ultimate responsibility for the events in the Iran/Contra Affair must rest with the President. If the President did not know what his National Security Advisers were doing, he should have. It is his responsibility to communicate unambiguously to his subordinates that they must keep him advised of important actions they take for the Administration. The Constitution requires the President to 'take care that the laws be faithfully executed.' This charge encompasses a responsibility to leave the members of his Administration in no doubt that the rule of law governs.

Members of the NSC staff appeared to believe that their actions were consistent with the President's desires. It was the President's policy -- not an isolated decision by North or Poindexter -- to sell arms secretly to Iran and to maintain the Contras 'body and soul,' the Boland Amendment notwithstanding. To the NSC staff, implementation of these policies became the overriding concern."

- P. 61 - "Several of the President's advisers pursued a covert action to support the Contras in disregard of the Boland Amendment and of several statutes and Executive Orders requiring Congressional notification. Several of these same advisers lied, shredded documents, and covered up their actions. These facts have been on the public record for months. The actions of those individuals do not comport with the notion of a country guided by the rule of law. But the President has yet to condemn their conduct.

The President himself told the public that the NSC staff was not supporting the Contras. He told the public that the U.S. Government had no connection to the Hasenfus airplane. He told the public that early reports of arms sales for hostages had 'no foundation.' He told the public that the United States had not traded arms for hostages. He told the public that the United States had not condoned the arms sales by Israel to Iran, when in fact he had approved them and signed a Finding, later destroyed by Poindexter, recording his approval. All of these statements by the President were wrong.

Thus, the question whether the President knew of the diversion is not conclusive on the issue of his responsibility. The President created or at least tolerated an environment where those who did know of the diversion believed with certainty that they were carrying out the President's policies."

- P. 62 - "In a Constitutional democracy, it is not true, as one official maintained, that 'when you take the King's shilling, you do the King's bidding.' The idea of monarchy was rejected here 200 years ago and since then, the law -- not any official or ideology -- has been paramount. For not instilling this precept in his staff, for failing to take care that the law reigned supreme, the President bears the responsibility.

Fifty years ago Supreme Court Justice Louis Brandeis observed: 'Our Government is the potent, the omnipresent teacher. For good or for ill, it teaches the whole people by its example. Crime is contagious. If the Government becomes a law-breaker, it breeds contempt for law, it invites every man to become a law unto himself, it invites anarchy.'

The Iran/Contra Affair resulted from a failure to heed this message."




THE WHITE HOUSE

WASHINGTON

November 9, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM: ALAN CHARLES RAUL 

SUBJECT: Declassification of Report: "Additional Views of Senator William S. Cohen"

This section of the Report is 6 pages long and arrived for declassification on November 7. The salient points are noted below:

- P. 1 - "When an Administration adopts objectives whose goals, however, defensible, are at odds with actions taken by the Congress, or with its own publicly acknowledged positions, it embarks on a perilous course. Subordinates of any President are motivated primarily by a desire to carry out his wishes, whatever the obstacles. Without an appreciation of the balance between the branches, such subordinates may be inclined to pursue these objectives, even if it means ignoring the law and even if it means taking actions which violate publicly stated U.S. policy."
- P. 2 - "Part of the responsibility to ensure this does not happen rests with the President. He must provide a framework within the Executive branch, particularly within its national security community, which ensures the participation of lawyers, policy and budget overseers, foreign policy and defense experts, as well as those with a particular perspective on Congress, in the formulation and implementation of policy. Secrecy can never be permitted to preclude or in any way constrain the advice needed by the President to make decisions crucial to the United States.

Similarly, secrecy can never justify eliminating Congress as a "check and balance" upon the power of the Executive. The Constitution makes no distinction in terms of those matters which affect the national security and those which do not. Congress itself recognizes that some matters cannot be disclosed to the public without also disclosing them to our adversaries, thereby effectively negating whatever benefit or advantage to the U.S. which might otherwise accrue."


- P. 3 - "With respect to the report itself, any effort of this magnitude, covering a subject of this breadth and complexity, necessarily represents a compromise. It is particularly true in this case, with a report which purports to represent a majority of both the Senate and House select

THE WHITE HOUSE

WASHINGTON

November 9, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM: ALAN CHARLES RAUL 

SUBJECT: Declassification of Report: "Additional Views of  
Senator David L. Boren and Senator William S. Cohen"

This section of the Report is 8 pages long and arrived for declassification on November 7. The salient points are noted below:

P. 1 - ". . . we provide the following supplemental facts and observations regarding CIA assistance to the Nicaraguan resistance as well as the Agency's role in the Iran initiative.

Moreover, it should be noted that the Iran-Contra Committees also developed information concerning the CIA which did not pertain directly to the Iran-Contra affair, but which raises concerns for the Intelligence Committee. It is our intention to pursue these matters consistent with our oversight responsibility."

P. 2 - "According to information received by the Committees, certain CIA personnel in two Central American countries provided support for the Contras and their private benefactors in a manner contrary to both Agency policy and restrictions imposed by law. Furthermore, in some cases CIA officials failed to provide adequate direction and supervision, to make certain that these kinds of activities would not take place. In other instances, certain CIA officials withheld information from inquiries undertaken after the Iran-Contra affair had become public including those undertaken by the Agency itself to determine if any CIA personnel had been used improperly."

P. 3 - "Extensive activities by the CIA station chief in Costa Rica during 1985-86 to support lethal air deliveries by private Contra benefactors -- including his role in the acquisition of an airstrip and his direct secure communications with the private benefactors and Lt. Col. North -- are covered in the report. What is not fully discussed, however, is the responsibility of certain Agency officials for supervision and control of his activities. At the very least, there seems to have been a serious failure of communication between the station chief and his superiors

regarding certain activities he undertook that were contrary to official Agency policy. Regardless of whether CIA officials gave confusing guidance or the station chief disregarded instructions the outcome was a breakdown in the process of supervision and accountability.

- P. 3 - "Of equal concern is the testimony by the station chief and the Deputy Director for Operations with regard to the station chief's failure to respond fully to subsequent Executive branch inquiries. The station chief stated that he limited his responses because of guidance he believed he had received from the DDO. The DDO denied giving such guidance. In either case, the result was the withholding of information by a senior CIA officer from crucial internal inquiries conducted within the Executive branch.
- P. 4 - ". . . certain CIA officials admitted that they evaded questions asked by Members of the Senate Intelligence Committee when they testified under oath during the Committee's preliminary inquiry into the Iran-Contra affair in December, 1986."
- P. 5 - "CIA's initial involvement in support of the November, 1985 arms shipment, as the report points out, had not been authorized by a presidential finding, itself a violation of the Hughes-Ryan Amendment.
- P. 7 - ". . . the oversight committees, as well as the new Director of Central Intelligence, will have to ask whether institutional restructuring is desirable to assure that CIA professionals will not be placed in circumstances in the future in which they find it difficult to raise concerns, either internally or with the oversight committees."
- P. 8 - ". . . the Committees' report mentions several cases in which intelligence was misrepresented or otherwise misused to support policy positions."

THE WHITE HOUSE

WASHINGTON

November 9, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM:

ALAN CHARLES RAUL 

SUBJECT:

Declassification of Report:  
"Separate Views of Senator Howell T. Heflin"

This section of the Report is 3 pages long and arrived for declassification on November 7. The salient points are listed below:

P. 1 - "This report should be viewed clearly for what it is -- a consensus report. I do not agree with all of the language in the report, not do I agree with all of its conclusions and recommendations . . . . I believe that the very essence of a democracy is an informed electorate. Clearly, the hearings have fulfilled this role. They have served to educate the American people about the strategic importance of the Middle East and the dangers we are facing in Central America. Additionally, the investigation and the hearings have confirmed my support for a democratic outcome in Nicaragua and have strengthened my resolve to see an end to the Soviet and Cuban presence and the Marxist expansion in Central America.

While I agree with most of the recommendations in the Majority report, I would urge the Congress and the President to consider two additional recommendations:

1. The creation of a small joint House and Senate Intelligence Committee, which would include as permanent members the assistant leaders of the House of Representatives and the Senate. Such a committee would not only further enhance secrecy, but also could promote a better relationship between the executive and legislative branches and between the two chambers of the legislative branch; and

2. The Chairman of the joint chiefs of staff should be made a statutory member of the National Security Council. The hearings revealed the fact that the Chairman of the joint chiefs of staff, our nation's top military officer, was not notified of the Iran arms sales. Even more alarming are contentions that there was neither an adequate evaluation of the impact of the arms sales on our own military arsenal and preparedness nor an adequate determination of the effect of the arms on the Iran/Iraq war.

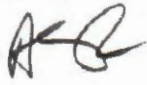
I believe that the presence of the Chairman of the Joint Chiefs of Staff would better ensure adequate evaluation of the effect of National Security Council actions on our nation's security."

- P. 2 - "I also agree with the following statement in Senators Tribble's additional views: 'The argument that this President failed to honor his constitutional duty to 'take care that the laws be faithfully executed' and failed to create an environment where the rule of law governs goes too far."
- P. 3 - "While the founding fathers wisely established a system of government which had natural frictions and conflicts between the branches built into it; nevertheless, the executive and legislative branches must learn to work together. We must do so on matters generally, and we must do so especially regarding Central America. The United States of American cannot afford another enemy like Cuba in the Western Hemisphere, particularly in Central America."

THE WHITE HOUSE  
WASHINGTON

November 9, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM: ALAN CHARLES RAUL 

SUBJECT: Declassification of Report: "Additional Views of Senator David L. Boren (Revised)"

This section of the Report is 7 pages long and arrived for declassification on November 7. The salient points are listed below:

- P. 1 - ". . . the final product cannot completely satisfy everyone involved on each particular point. Nevertheless, I support this report and accept generally its contents . . . there is a section of the report relating to alleged improper propaganda activities engaged in by the Department of State. In my opinion, this matter was not sufficiently focused upon in testimony taken by the full Committees to merit reaching final conclusions. As a member of the Senate Committee, I do not feel comfortable with conclusions being stated in the report primarily on the basis of inquiries made by only a portion of the staff rather than upon testimony heard by the elected members . . . while I do not dispute that certain criminal laws may have been violated, I do not believe that these Committees are the appropriate forums in which to determine, even by implication, whether and which criminal laws have been broken and by whom. An independent counsel has been appointed to address these matters and they are presently pending in the courts. I believe that these issues properly should be pursued through the judicial process without comment by the Congress . . . I am concerned that the report may imply that secrecy in all circumstances is wrong. While no one believes more strongly than I that government should be open and accountable to the people, there remain certain sensitive activities of the government which must be kept secret to protect our national security.
- P. 4 - ". . . the Committees should have conducted their inquiry with greater focus upon the broader policy questions and constructive lessons to be learned and with less time focused upon the kind of examination more appropriate to criminal prosecutions in a courtroom . . . I believe that the activities of the Committees did not focus sufficiently upon the need to end the underlying mistrust between the two branches of government. It is imperative that we rebuild