

WITHDRAWAL SHEET

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File Folder: [Tower Board: 12/07/1985 White House Meeting] (2)

Date: 08/10/2004

DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. transcript	re 12/11/86 Tower Board testimony (page 1 and 26 only, w/notations), 2p	n.d.	B1
2. transcript	re 2/19/87 Tower Board interview (pages 1, 46-48, and 58-59 only) (w/notations), 6p	n.d.	B1
	R 3/17/06 F97-066/6 #203		
3. transcript	re 5/11/87 testimony (pp. 60-63 only) (w/notations), 4p	n.d.	B1
	R " " #204		
4. transcript	re 5/2/87 deposition (pages 1 and 121-127 only, w/notations), 8p	n.d.	B1
	R " " #205		
5. transcript	re 6/18/87 deposition (cover page + pp. 399-400 only), (w/notations), 3p	n.d.	B1
	R " " #206		
6. transcript	re 12/18/86 Tower Board interview (cover page + pp. 5-7 only, w/notations), 4p	n.d.	B1
	R " " #207		

RESTRICTIONS

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PRESIDENT'S SPECIAL REVIEW BOARD

- - -

INTERVIEW OF ROBERT C. McFARLANE

- - -

Bethesda National Naval Hospital
Bethesda, Maryland
Thursday, February 19, 1987

The interview commenced at 9:40 a.m.

BEFORE:

The Honorable John Tower, Chairman
The Honorable Edmund Muskie
General Brent Scowcroft

PRESENT:

Rhett Dawson, Esq., Staff Director
Clark McFadden, Esq., General Counsel

ALSO PRESENT:

Leonard Garment, Esq.
Peter Morgan, Esq.

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NLS F97-0666 #203

BY LBJ, NARA, DATE 3/17/06

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1 to try to reorient it to its original purpose, Mr.
2 President, and that is for us to avoid dealing through
3 intermediaries and to talk to Iranians directly, and he
4 agreed with that. And he said convene the NSC -- the
5 Secretary of State and Defense -- and let's talk it over
6 when we get back. So that is what led me to then do two
7 things -- convene a meeting and tentatively ask Admiral
8 Poindexter, I believe, to have a meeting with the
9 Iranian intermediary set up in London.

10 So with that prelude a meeting was convened on
11 December 7 of the NSC, and I would, I believe, have
12 presided because I was still sitting in the chair. What
13 I am saying now is based upon routine and not notes from
14 it. But I always started off by briefing the issue.
15 Here we are today convened to talk about the Iranian
16 program. Here is what has happened since the beginning
17 and here is the return, the benefits and the liabilities
18 of it, and the decision is what should we do or what
19 should we do henceforth -- continue as we have, change,
20 or something else.

21 And then invite the comments of everybody
22 around the table, usually start with the Secretary of
23 State, then the Secretary of Defense, and around the
24 table, and that would have led to the Director of the
25 CIA, and any one of the other ad hoc members that

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1 happened to be present. Usually it was Mr. Regan.

2 And it was unanimous in the meeting that this
3 really had gone badly off course and that we should yes,
4 still be open to talking to Iranian officials,
5 authorities, and have a concrete political agenda to
6 describe. And we talked a little bit about that -- our
7 view of our interests in the area, how they were
8 threatened by Iran, disagreements we had with them over
9 terrorism and fundamentalists' crusade in the Middle
10 East, and ultimately perhaps even some common interest
11 -- Afghanistan and elsewhere.

12 But because of how things had gone up until
13 then we ought to also tell them that we were not going
14 to transfer U.S. weapons, sell U.S. weapons. We were
15 not going to allow or encourage anybody else to do so.
16 And I don't recall anybody disagreeing with that at all.

17 The President wasn't terribly -- didn't
18 intervene in the meeting, as I recall, very much on one
19 side or the other, but at the end said well, okay.
20 That's what you should say. And I left that evening and
21 was in London the next morning, and we took off from
22 there.

23 GENERAL SCOWCROFT: Would you have had
24 briefing notes for the meeting for you -- talking notes
25 -- or for the President or any notations after the

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1 meeting?

2 MR. MC FARLANE: I would have probably had in
3 my own sensitive chron my notes for briefing of the
4 meeting, yes, and the notetaker at the meeting would
5 have been Admiral Poindexter. He would have had his
6 notes there.

7 CHAIRMAN TOWER: And then you proceeded on to
8 London that evening. And who accompanied you to
9 London? Did Ollie North go with you or was he already
10 there prepositioned or what?

11 MR. MC FARLANE: Colonel North was already
12 there, and I went alone, and I may have had -- I think I
13 was alone, and was met on arrival by Colonel North at
14 Heathrow and we went in to the Hilton Hotel and I asked
15 to get together with Mr. Kimche. And he said well, we
16 will set that up right away, and we did, I believe,
17 within an hour or so in the Hilton that morning.

18 And I had known him for a long time and then
19 got right to the point and said that this was
20 well-meaning, well-intentioned, but it hasn't turned out
21 and the President has decided that it has to be
22 reoriented very substantially and my instructions are to
23 say that if they are open to a dialogue, we are too, and
24 if not so be it, but under no circumstances are we
25 prepared to sell arms nor to allow anybody else to

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1 involved we are open to your political agenda, but that
2 concretely don't do business with that person and don't
3 sell any arms.

4 CHAIRMAN TOWER: Well, was the suggestion that
5 if there was to be a reopening of this that it would
6 come from them?

7 MR. MC FARLANE: That's right.

8 MR. GARMENT: Could I suggest just a
9 five-minute break -- not for my convenience but just to
10 stretch, to enable us to go on?

11 CHAIRMAN TOWER: We have just a little bit
12 more that we would like to take up, if we may.

13 MR. GARMENT: Right now can we break?

14 CHAIRMAN TOWER: No, we can break.

15 (A brief recess was taken.)

16 MR. DAWSON: Returning to December 7 you
17 stated, I think fairly clearly, that Secretary
18 ~~Weinberger and Secretary Shultz expressed their strong~~
19 ~~reservations about this operation. Do you recall what~~
20 ~~Mr. Regan's position was at the December 7 meeting? You~~
21 ~~stated at the December 10 meeting he was opposed. Did~~
22 ~~he have the same or a different position on December 7?~~

23 MR. MC FARLANE: I don't recall his taking a
24 strong position either way.

25 MR. GARMENT: Is that at both meetings?

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1 MR. DAWSON: I'm trying to distinguish between
2 the two.

3 GENERAL SCOWCROFT: Bud said on December 10 he
4 was opposed.

5 MR. DAWSON: We have independent information,
6 just to not lead you so much since you have already
7 given an answer, that he said it was a bad idea on
8 December 7, and I'm just trying to corroborate that.

9 MR. MC FARLANE: I wouldn't challenge it. I
10 just don't remember it.

11 MR. DAWSON: Thank you.

12 CHAIRMAN TOWER: If we could get into the
13 post-December period, can you tell us what you know
14 about the Iran sales initiative after the time that you
15 left government, particularly what you understand the
16 President approved on January 7 and on January 17, and
17 what do you understand to be the differences between
18 those two?

19 MR. GARMENT: Based upon his own direct
20 knowledge?

21 CHAIRMAN TOWER: Yes.

22 MR. MC FARLANE: Mr. Chairman, I've seen some
23 public references to my having been in attendance at
24 White House meetings after December of '85 in the early
25 days of January, and I attended no White House

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NAME: JE 1310ZPM

McFarlane
5/11/87 (A)

- Testimony
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1286 the September, October, November experience of those three
1287 months, the Iranian initiative seemed to me to have not
1288 fulfilled our purpose of getting in touch with Iranians, and
1289 secondly, that their agenda of getting weapons was different
1290 from ours, and that we ought to try to get in touch with
1291 them directly without intermediaries to say that there would
1292 be no further arms sales.

1293 Mr. LIMAN. Were you told during this period of the first
1294 week or so of December that Richard Secord was meeting with
1295 the Iranians as an intermediary?

1296 Mr. MCFARLANE. I don't think I was, although I did
1297 encounter him, as you know, in London on December 8th.

1298 Mr. LIMAN. We will come to that in a moment. Did you
1299 know that he was meeting with the Israelis to discuss the
1300 venture?

1301 Mr. MCFARLANE. I don't believe so, no.

1302 Mr. LIMAN. Did you ask him to act as a representative of
1303 the United States in trying to put this together again?

1304 Mr. MCFARLANE. No.

1305 Mr. LIMAN. Now was the subject of arms sales to the
1306 Iranians discussed on December 7 at a meeting of the
1307 principals, some of the principals of the National Security
1308 Council?

1309 Mr. MCFARLANE. Yes. When the President and I discussed
1310 the situation, as I have just summarized it, he said,

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BY NOJ, NARA, DATE 3/17/06

1311 "Fine. When we get back to Washington, let's have a
1312 meeting of the guys," which was the Secretary of State,
1313 Defense, the DCI, myself and the Vice President, and Mr.
1314 Fedan, and one was set for December 7th, and it was held.

1315 Mr. LIMAN. And do you recall that Mr. McMahon came in lieu
1316 of Director Casey?

1317 Mr. MCFARLANE. Yes, that is correct.

1318 Mr. LIMAN. Now, do you recall what proposal was put on
1319 the table at that meeting?

1320 Mr. MCFARLANE. Well, it was a meeting to review what has
1321 taken place since the President's approval of August and the
1322 negative viewpoints of the Secretaries of State and Defense
1323 to the effect that we hadn't achieved our purpose, and it
1324 was going--degenerating into an arms-for-hostage arrangement
1325 were very emphatically made, and it was a matter of
1326 consensus--there was no disagreement really--that our attitude
1327 should be one of openness to purely political discourse, but
1328 that we should not agree to sell weapons or to encourage
1329 others, like Israel, to do so.

1330 These were my instructions and I was directed to go to a
1331 meeting with Ghorbanifar in London the next day and make
1332 those points.

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1335 Mr. LIMAN. Do you recall at that meeting any discussion
1336 by the Secretary of Defense that it was not legal for Israel
1337 to be selling these weapons subject to an agreement by the
1338 United States to replace them?

1339 Mr. MCFARLANE. It doesn't stand out. However, he had
1340 made the point in law back in August of that year, and so it
1341 is very likely that he would make it again.

1342 Mr. LIMAN. He expressed himself, in any event, very
1343 strongly on this subject, that we should not sell weapons;
1344 is that fair?

1345 Mr. MCFARLANE. That is correct, yes.

1346 Mr. LIMAN. And so did the Secretary of State?

1347 Mr. MCFARLANE. Yes.

1348 Mr. LIMAN. And is it true that Don Regan also expressed
1349 himself against the sale of weapons?

1350 Mr. MCFARLANE. I believe so.

1351 Mr. LIMAN. And at this point you were a person who had
1352 doubts?

1353 Mr. MCFARLANE. Yes.

1354 Mr. LIMAN. And did the President take a position on the
1355 sale of weapons at that meeting?

1356 Mr. MCFARLANE. Well, he approved the position of no sales
1357 being conveyed to the Iranians, yes.

1358 Mr. LIMAN. So that the President, as you recall it, the
1359 President's view was that there should not be sales?

1360 Mr. MCFARLANE. Yes, it was a position in which he was
1361 disappointed, frustrated that things had not gone better,
1362 but resigned to accepting that if that was the case, don't
1363 go ahead.

1364 Mr. LIMAN. Now, you then went over to London to meet with
1365 the Iranian representative?

1366 Mr. MCFARLANE. That is correct.

1367 Mr. LIMAN. And that was Mr. Ghorbanifar?

1368 Mr. MCFARLANE. Yes.

1369 Mr. LIMAN. Do you recall whether before you met him you
1370 were briefed by General Secord?

1371 Mr. MCFARLANE. When I arrived I believe I went to the
1372 Hilton Hotel and met Colonel North. Although, in passing
1373 was introduced to General Secord, Colonel North made clear
1374 that they did have General--General Secord had business
1375 interests in Europe.

1376 I would not have, don't recall today, there was a briefing
1377 by General Secord at the time. I did have a morning meeting
1378 with Mr. Kimche of Israel, where I summarized what my
1379 instructions were for the meeting with the Iranians.

1380 And he expressed his concern and stated that we needed to
1381 be patient, that these things weren't concluded. And in a
1382 short time I told him what my instructions were, and we

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DEPOSITION OF JOHN M. POINDEXTER

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Saturday, May 2, 1987

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United States Senate,
Select Committee to Investigate Covert
Arms Transactions with Iran,
Washington, D. C.

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The Committee met, pursuant to call, at 9:05 a.m., in
Room 901, Hart Senate Office Building, Arthur Liman
presiding.

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On behalf of the Senate Select Committee: Arthur L.
Liman.

15

16

On behalf of the House Select Committee: John Niels
and George Van Cleve.

17

18

On behalf of the Witness: Richard W. Beckler and
Joseph T. Small, Jr., Fulbright & Jaworski, 1150 Connecticut
Avenue, N.W., Washington, D. C. 20036.

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Also present: Senator Rudman, Representative Stokes,
and Representative Courter.

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BY LSJ NARA, DATE 3/17/06

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1 learned Mr. McFarlane planned to go. So he did go to the
2 meeting, too. In fact, he led the discussion.

3 Ahead of time, I talked to Secretary Shultz,
4 Secretary Weinberger, and Director Casey about the general
5 nature of the meeting, what the general subject was.
6 Secretary Shultz and Secretary Weinberger said they would
7 be there. Director Casey said he was going to be out of
8 town. He was aware of the proposals and he supported them.
9 In fact, to my recollection, he said I had his proxy in
10 terms of telling the President that. He asked if John
11 McMahon, the Deputy Director of Central Intelligence, could
12 attend in his stead. I said that would be fine.

13 I can't recall whether I talked to the Vice
14 President or not. Probably did, but I just can't remember
15 that. The Vice President was not there. Apparently he
16 was out of town. Certainly if he had been in town, he
17 would have been invited and probably there.

18 So we convened on Saturday morning, the 7th of
19 December, over in the living room of the residence; and
20 it was the President, Secretary of State, Secretary of
21 Defense, the Chief of Staff, John McMahon, the Deputy
22 Director of Central Intelligence, Mr. McFarlane, and me.

23 Normally, I would keep notes at such a meeting,
24 but again this was such a sensitive area that I did not
25 by my recollection take any notes. I conceivably could

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1 have written a few things on a yellow legal pad, but
2 subsequently destroyed them at the time, not recently.
3 Because I couldn't find -- I can't find -- there may be
4 conceivably a paper somewhere in the White House, but I
5 rather doubt it. Because, again, we considered -- I tend
6 to make a distinction between formal NSC meetings or
7 NSPG meetings, at which we would invariably prepare a
8 memorandum for record of the meeting, including the notes
9 of whoever the notetaker was.

10 I don't like taking detailed notes like that.
11 Usually, even when I was deputy, I arranged for somebody
12 else to be there as the actual notetaker.

13 You should find, although it is probably not
14 in this area, but there should be in the NSC or White
15 House files some handwritten notes from NSPG meetings that
16 I made.

17 But I don't think you will find anything on
18 this subject, because I purposely didn't take notes on it.

19 Mr. McFarlane started the discussion and reviewed
20 in -- at least as best I can recall, in general terms his
21 contacts with the Israelis. I frankly can't recall much
22 discussion, if any, of the earlier TOW shipments or Hawk
23 shipments which is kind of interesting. I really can't
24 recall that. It is conceivable that it wouldn't come up,
25 because the meeting was primarily focused on the future;

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1 what were we going to do at this point.

2 Mr. McFarlane went through all the strategic
3 reasons why Iran was important to us. He went through
4 reasons that he thought the Israelis were interested in
5 doing this; and all the Israeli reasons are not necessarily
6 the same as ours.

7 We had suspected for some time that the Israelis
8 were selling arms to Iran before they came to Mr. McFarlane
9 in July of 1985. But Prime Minister Begin and succeeding
10 Israeli officials had denied that, but a lot of intelligence
11 that we had indicated that they were probably selling arms.
12 My personal view was they probably were but they were
13 probably doing it through private companies so their
14 government could technically claim that they weren't.

15 There was some discussion of -- I guess at that
16 point we probably did know it was Ghorbanifar. I think
17 there was a discussion that he was not a good channel,
18 didn't have a good record. It was discussed that what the
19 Israelis wanted to do was to sell the Iranians a limited
20 number of arms and they wanted to be assured that they
21 could purchase replacements from us.

22 The Israelis thought that we could get the
23 hostages out through this process amongst other things.
24 The reason that, as I recall, at the time that they said
25 they wanted -- their stated reason for wanting to sell arms

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1 was a -- partly a confidence-building measure. It was more
2 that the Israelis felt that if they could get the Iranians
3 to be more dependent on them, that they would have more
4 control over influencing them in the future. That's
5 generally the gist of Mr. McFarlane's comments, as best I
6 can recall.

7 The Secretary of State then spoke, and he was
8 very much opposed to any effort that would involve selling
9 arms to Iran. At that point, we weren't considering doing
10 it directly, but it was a matter of doing it, essentially,
11 through Israel. He made the argument that he has made
12 since, and what I have read on the record is generally
13 accurate, as I recall, that it would violate our policy
14 with regard to trying to cut back on the arms that were
15 getting into Iran.

16 He also thought there was a legal problem with
17 regard to the Arms Export Control Act. He felt that it
18 would be very damaging to our foreign policy if we agreed
19 to do something like this that was contrary to what he
20 considered to be our stated policy.

21 Secretary Weinberger made very similar arguments.
22 They were both very forceful, very forthright, as they
23 always have been in my presence.

24 I can't recall John McMahon saying very much
25 at all, and I can't recall the Chief of Staff saying very

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1 much.

2 On McMahon, I knew where the Director stood and
3 so I really wasn't too concerned about him. I think I did
4 propose, as Secretary Shultz has reported, that maybe we
5 ought to think about whether the British might be interested
6 because they have an interest in the Persian Gulf as well,
7 and Secretary Shultz was opposed to that as well.

8 But my personal view -- and I don't recall making
9 it at the meeting -- but my personal view was that it was
10 a high-risk operation, it had potential for great strategic
11 aids. I frankly thought that was, in my view, more impor-
12 tant than the hostages, although I knew that the President
13 was concerned about the hostages, and because he was
14 concerned about them, I was concerned about them.

15 I also knew that the President's general
16 tendency -- and this would have been from earlier discussions
17 with him -- I knew that he was generally in favor of going
18 ahead.

19 So, as is usually the case in a controversial
20 issue like this, the President didn't say much until the
21 end.

22 Q Do you recall what he said then?

23 A Yes. I can remember pretty clearly what he
24 said.

25 Q Why don't you tell us what he said.

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1 A We were sitting around a coffee table down at
2 one end of the living room. He pulled up a stool. He was
3 sitting there and very thoughtful. He said, "Gentlemen,
4 I think we ought to go ahead." At least the next step --
5 the decision to be taken at that point was whether Mr.
6 McFarlane should go to London. But he said, "I think we
7 ought to go ahead." He said, "As far as the hostages are
8 concerned, I just couldn't sleep if we didn't pursue every
9 possibility." He -- again, contrary to some of the reports,
10 he clearly understood the sensitive public aspects of
11 this.

12 He said that -- this is not an exact quote, but
13 my recollection of the meeting. He said, "If we succeed
14 in this, we will all be heroes; if we don't, it will be
15 very difficult."

16 Q He used more colorful language than that, didn't
17 he?

18 A I really can't recall his precise words. I
19 don't sound like the President right now, so his words
20 would have been different.

21 Q Did he say visiting days would be on Thursday?

22 A I don't recall. He may have said that. He is
23 kind of anecdotal, but then he did go on to say -- he said,
24 "But, you know," he said, "I'm convinced that if I ever
25 have to explain this to the American public, I can do it."

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1 He said, "I feel very comfortable about that."

2 Secretary Shultz, Secretary Weinberger again
3 made the case why we shouldn't go ahead. The President
4 said, "Well, let me think about it."

5 Usually on a controversial issue, where there
6 wasn't pretty good agreement, he wouldn't take a decision
7 in the meeting. So the meeting broke up.

8 Later in the day -- and I am not certain about
9 this -- the President could have called me, but I rather
10 think he called Mr. McFarlane. My schedule would shed some
11 light on this. I think I had a lunch down in the Situation
12 Room after the meeting with Secretary Shultz. I think
13 Mr. McFarlane was still up in his old office. My
14 recollection is after my meeting with Secretary Shultz,
15 I went and asked Mr. McFarlane if the President had called.
16 My recollection is that he said that he had and that he
17 had agreed that -- as I knew he would -- that Mr. McFarlane
18 go to London.

19 Q I am going to just skip ahead to the milestones.
20 Did Mr. McFarlane report to you when he returned?

21 A From --

22 Q London?

23 A Yes. Well, actually he flew out to London
24 on a Saturday. I think he came back on a Sunday, late.
25 I got a debrief, I think, first from Colonel North, or

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ORIGINAL

Stenographic Transcript of
HEARINGS

HSITS 0107 /87

Before the

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

DEPOSITION OF JOHN M. POINDEXTER Continued

Thursday, June 18, 1987

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NLS F97-066/6 #206

BY LOT NARA, DATE 3/17/06

Washington, D.C.

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1 is when Nir visits you. Does that refresh your
2 recollection as to when your instructions were given to
3 him?

4 A No, because I think that there was preliminary
5 work done in December, because the reason I believe that
6 is that after the 7 December meeting, which to my
7 recollection was the first meeting I had an opportunity
8 to hear in detail Secretary Shultz and Secretary
9 Weinberger raise their objections, they made such a big
10 issue of the illegality of it that I'm relatively certain
11 later after that, but yet in early December, I asked
12 Colonel North to talk to the Attorney General or his
13 people about that problem, because clearly if it were
14 illegal we couldn't go ahead with it.

15 Q And if it were illegal you had a problem in
16 terms of those September shipments?

17 A I can't say that that --

18 Q That that occurred to you?

19 A That occurred to me at the time.

20 Q That was before your watch anyway.

21 A Well, I just don't recall thinking about that.
22 I tend to look toward the future.

23 Q In the discussions that took place at the
24 December 7 meeting was there any reference made to the
25 fact that we had done it already in September, and in,

1 November?

2 A I can't remember that.

3 Q Do you remember that meeting as being a
4 forward-looking meeting -- should we go ahead with the
5 new Israeli plan?

6 A That's correct. And let me make one other
7 point clear. It wasn't clear to me that what Secretary
8 Shultz and Secretary Weinberger were saying was correct.

9 Q You are not a lawyer; I understand that.

10 A No.

11 Q And the Attorney General was not at the
12 meeting on December 7, was he?

13 A He was not. In hindsight --

14 Q In hindsight what?

15 A It would have been helpful if he had been
16 there.

17 Q But let me stop at December 7. December 7 the
18 decision that was made was to let McFarlane go to London,
19 correct?

20 A That is right.

21 Q And there was not a decision made on December
22 7 to sell more arms to Iran; correct?

23 A That is correct.

24 Q And by the time any further shipment was made
25 to Iran the Attorney General of the United States had

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JOINT HEARINGS ON THE
IRAN-CONTRA INVESTIGATION

Testimony of John M. Poindexter

Wednesday, July 15, 1987

House Select Committee to Investigate
Covert Arms Transactions with Iran

and

Senate Select Committee on Secret Military Assistance
to Iran and the Nicaraguan Opposition
Washington, D.C.

Joint Hearings
of the

Select Committee to
Investigate Covert Arms
Transactions with Iran

U.S. HOUSE OF REPRESENTATIVES

Select Committee on
Secret Military Assistance
to Iran and the Nicaraguan Opposition

UNITED STATES SENATE



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1304 Mr. LIMAN. Let's go to the--on December 7, 1985, after
1305 finding had been signed by the President, there was a
1306 meeting, was there not, between the principals of the
1307 National Security Council?

1308 Mr. POINDEXTER. Yes, there was.

1309 Mr. LIMAN. And do you recall Mr. Weinberger was there a
1310 Secretary Shultz was there, Don Regan was there, Mr. McMahon
1311 of the CIA was there; do you recall that?

1312 Mr. POINDEXTER. Yes, I do.

1313 Mr. LIMAN. There has been testimony about this. The on
1314 reason I am going to ask you about this is because there
1315 were certain perceptions in the Tower Report as to whether
1316 the Secretary of State or the Secretary of Defense really
1317 expressed their views forcefully.

1318 Would you tell us, Admiral, will the--at that meeting,
1319 there was a discussion again or there was a discussion of
1320 the Iran initiative, is that so? You have to say yes or no.

1321 Mr. POINDEXTER. Yes, there was.

1322 This December 7th meeting was the first opportunity that
1323 can recall that I had to hear the President personally, the
1324 Secretary of State, the Secretary of Defense talk about
1325 their feelings about this initiative that had been proposed
1326 by the Israelis.

1327 Mr. LIMAN. And the subject on the table was an Israeli
1328 initiative under which the Israelis would ship arms to the

1329 | Iranians and we would replenish the arms, hopefully there
1330 | would be better relations with Iran, and as a token of good
1331 | faith, the American hostages would be released; is that a
1332 | fair summary?

1333 | Mr. POINDEXTER. Well, I think it is a partial summary.

1334 | Mr. LIMAN. Why don't you complete it.

1335 | [Counsel conferring with witness.]

1336 | Mr. POINDEXTER. We had been concerned in the National
1337 | Security Council for some period of time with the situation
1338 | in Iran. Unfortunately, we have very poor intelligence on
1339 | what is happening in Iran.

1340 | The National Security Council staff had prepared a draft
1341 | finding earlier in '85 to try to get the government focused
1342 | on what we saw as a very significant, looming problem in
1343 | Iran as Ayatollah Khomeini eventually passed from the scene
1344 | and it was some sort of succession. We didn't want a repeat
1345 | of the '70s when things were happening in Iran that we
1346 | weren't aware of, and eventually went out of our control and
1347 | out of the control of the government there. We wanted to
1348 | preclude the possibility in the future, and we felt that we
1349 | needed to take an initiative to get closer to people in the
1350 | Iranian government so that we could find out what is
1351 | happening and hopefully have some influence in the future,
1352 | or at least have information on which to base the United
1353 | States policy.

1354 Mr. LIMAN. Admiral, see if this part is correct, that the
1355 currency for trying to get that influence that was being
1356 demanded, as reported by the Israelis, involved arms?

1357 Mr. POINDEXTER. That is often the currency of any sort of
1358 business in the Middle East.

1359 Mr. LIMAN. And in this case, that was the currency being
1360 demanded?

1361 Mr. POINDEXTER. Yes. That is correct.

1362 Mr. LIMAN. And it is also true that we did not want to
1363 authorize arms shipments to the Iranians unless we were
1364 assured of getting our hostages back; is that so?

1365 [Counsel conferring with witness.]

1366 Mr. POINDEXTER. As I was trying to lay out a moment ago,
1367 what our concerns were, what our major objective was, the
1368 President was clearly also concerned about the hostages.
1369 The President is a very sensitive person, and he is
1370 concerned about individuals when they are in difficulty.
1371 And so he, just as a human being, was concerned about the
1372 hostages.

1373 I don't think that the President was overly concerned
1374 about them, but he recognized that we did have an
1375 opportunity here to try to get the hostages back, and there
1376 was no way that we could carry on discussions with Iranian
1377 officials about broader objectives until we got over the
1378 first obstacle and the first obstacle was to get the

1379 | hostages back. And the President felt that--that it was
1380 | worth taking some risk here..

1381 | Mr. LIMAN. Did the Secretary of State and the Secretary
1382 | of Defense express objections?

1383 | Mr. POINDEXTER. They expressed, as opposed to some
1384 | reports, very strong, vociferous objection, and clearly laid
1385 | out for the President the other side of the issue.

1386 | Mr. LIMAN. And without going into undue detail, could you
1387 | just tick off the points they made?

1388 | Mr. POINDEXTER. Well, they are the obvious points that
1389 | have been made since this all has become public. Secretary
1390 | Shultz was concerned about our operation to staunch the flow
1391 | of arms into Iran, which is one of the methods that we are
1392 | using to try to stop the war between Iran and Iraq.

1393 | After all, our policy objective there is to stop the war.
1394 | The policy objective is not to have an arms embargo. You
1395 | don't just go out and have an arms embargo for nothing. The
1396 | reason we have an arms embargo against Iran is because we
1397 | want to try to influence the end of the war, but in its
1398 | simplest terms, what was being proposed here was not in
1399 | accordance with that particular method that we were using.

1400 | He was concerned that if the European countries found out
1401 | about it, that it would lessen their willingness to
1402 | cooperate. In reality, though, in my opinion, we have never
1403 | had good cooperation from anybody on Operation Staunch. The

1404 European countries continued to send military equipment and
1405 supplies into Iran. Iran has been able to carry on a war
1406 for six, going on seven years now, I guess.

1407 Other objections were that it was contrary to the Arms
1408 Export Control Act. Secretary Weinberger had slightly
1409 different reasons, but they are generally along the same
1410 lines.

1411 Mr. LIMAN. And there is no doubt in your mind that the
1412 President listened to and understood those objections?

1413 Mr. POINDEXTER. I have a very vivid recollection of that
1414 meeting, and it was in the residence. The President pulled
1415 a footstool up to the coffee table and sat there very
1416 quietly, as is his nature, listening to all of the
1417 discussion up to that point, listening to Secretary Shultz,
1418 to Secretary Weinberger, Mr. McFarlane. I had very little
1419 comment. And I don't recall the Chief of Staff saying very
1420 much.

1421 Mr. McMahon was there and commented a little bit about
1422 some of the technical aspects of the initiative. I had
1423 spoken to Director Casey about the meeting before it took
1424 place, and knew at that point that Director Casey was in
1425 favor of the idea.

1426 And the President listened to all this very carefully, and
1427 at the end of the discussion, at least the first round, he
1428 sat back and he said something to the effect--and this is not

1429 | a direct quote, but it was something to the effect that "I
1430 | don't feel we can leave any stone unturned in trying to get
1431 | the hostages back. We clearly have a situation here where
1432 | there are larger strategic interests, but it is also an
1433 | opportunity to get the hostages back, and I think that we
1434 | ought to at least take the next step."

1435 | Chairman HAMILTON. Counsel, is this an appropriate time
1436 | for recess?

1437 | Mr. LIMAN. Yes, Mr. Chairman.

1438 | Chairman HAMILTON. The joint committees will stand in
1439 | recess.

1440 | [Recess.]

1441 DCMN MILTON

1442

1443 Chairman HAMILTON. The select committees will resume
1444 sitting.

1445 Mr. Liman, you may proceed.

1446 Mr. LIMAN. Thank you, Mr. Chairman.

1447 Admiral, at the December 7th meeting, was there any
1448 discussion of the November Hawk shipment?

1449 Mr. POINDEXTER. Mr. Liman, I can't recall that. I would
1450 be surprised if there weren't, but frankly I'm not sure.

1451 Mr. LIMAN. Is the same thing true with respect to the TOW
1452 shipment that took place in September by the Israelis?

1453 Mr. POINDEXTER. Yes. I'm reasonably sure in hindsight
1454 that it was probably covered, but my recollection of Mr.
1455 McFarlane's introduction to the issue was that he probably
1456 provided a review of what had happened up to that point.
1457 But frankly I can't remember that review very well.

1458 Mr. LIMAN. As I understand your testimony, the bottom
1459 line of the December 7th meeting was that the President
1460 listened to the objections, listened to the arguments for
1461 this, recognized the risk, said he was prepared to take that
1462 risk, and made a decision that at the very least Mr.
1463 McFarlane should go to London. Fair?

1464 Mr. POINDEXTER. Yes, that is fair.

1465 [Counsel conferring with witness.]

1466 Mr. POINDEXTER. And I don't want to leave the impression
1467 that this was a stilted meeting. In other words, it wasn't
1468 a situation where, as you probably have seen from some of
1469 the agenda for NSC or MSPG meetings, where each Cabinet
1470 officer had so much time and Mr. McFarlane provided a
1471 summary. This was a very free-wheeling discussion, and
1472 frankly my experience is that if you want to have a
1473 discussion like that, which was what you wanted, you have it
1474 at the residence in a less formal setting where everybody
1475 could be comfortable. You only have principals in
1476 attendance, not a lot of staff around, and everybody feels
1477 free to express their view without it being published in the
1478 Washington Post the following day.

1479 So this was a very free-wheeling discussion. Everybody
1480 spoke very frankly. Secretary Shultz and Secretary
1481 Weinberger spoke more than once. There was a lot of give
1482 and take in the discussion.

1483 But in the end, the President decided that Mr. McFarlane
1484 should make the trip to London to check out this Israeli
1485 channel so that we could, the President could take a
1486 decision based on firsthand information.

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THE PRESIDENT'S SPECIAL REVIEW BOARD

INTERVIEW OF RICHARD ARMITAGE

Room 5026

New Executive Office Building

Washington, D. C.

Thursday, December 18, 1986

The interview commenced at 3:02 p.m.

BEFORE:

The Honorable John Tower, Chairman

The Honorable Edmund Muskie

General Brent Scowcroft

ALSO PRESENT:

Rhett Dawson

Clark McFadden

Michele Markoff

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1 I don't think my boss knows anything about this. I doubt
2 that Secretary of State Shultz knows anything about. I think
3 your ass is way out on a limb and you best get all the
4 elephants together to discuss this issue.

5 Ollie was, I think, a little shocked that I was so
6 strong about the necessity of getting everybody together. He
7 left my office. Several days later, on December 6, there was
8 a meeting called with the President, and the Secretary was
9 invited to attend.

10 I prepared the Secretary for that meeting orally
11 without any paper trail. I didn't need to prepare Secretary
12 Weinberger, frankly. It was just kind of coalescing his
13 thoughts. I reminded him what we had responded on arms
14 sales in July that he had sent over to Bud. He added several
15 other aspects to the discussion, such as legality, things of
16 that nature, and he was intending to raise those issues with
17 the President. Those issues included the harm arms would
18 do to our counterterrorist policy, the difficulty in explaining
19 this to our moderate Arab friends, and how this would under-
20 mine us in the Gulf, which the Secretary was particularly
21 concerned about, the fact that he and George Shultz and
22 others, to include the President, had been actively engaged
23 in Operation STAUNCH, and Weinberger has this as his talking
24 points wherever he goes, and he felt that there was a great
25 possibility of embarrassment and the United States would be

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1 made to look foolish.

2 He expressed, at least in our discussion before he
3 went to the White House, a great fear that we would never be
4 able to explain this either publicly or congressionally once
5 it became public, as it inevitably would. And he has subse-
6 quently told me, and I believe he testified to the members of
7 the Senate Select Committee yesterday and the House, but I
8 don't know this for sure, that he also raised the legal issues.
9 I'm told George Shultz also told the Senate Select Committee
10 that Weinberger raised the legal issues in December.

11 ~~Weinberger returned to the office and, either that~~
12 ~~day or that Monday or Tuesday, shortly thereafter, debriefed me~~
13 ~~on the meeting. He told me that he and Mr. Shultz particularly~~
14 ~~were very strongly opposed to President and they thought they~~
15 ~~"strangled the baby in the cradle" of this idea.~~

16 GENERAL SCOWCROFT: ~~Did he talk about anybody speak-~~
17 ~~ing for it, in strong support or modest support?~~

18 MR. ARMITAGE: ~~I have hearsay on that from my State~~
19 ~~colleagues, if that's of interest -- this is not a jury, I~~
20 ~~assume -- that in the December meeting it was apparent that~~
21 ~~most people, perhaps with the exception of John Poindexter,~~
22 ~~were against it. That's hearsay. Weinberger only told me~~
23 ~~that Shultz and he were firmly united. -- This was of some --~~
24 ~~and the reason I remember so well is I had staffed how I was~~
25 ~~preparing Weinberger with my colleagues at the Department of~~

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1 State, particularly Arnie Rafel, so that Shultz and Weinberger
2 would be making the same argument, because it's not always
3 that they are on the same wicket, and it was our hope that
4 they would be on the same wicket and this would jog the
5 President. And I was quite pleased when Weinberger said "we
6 think we've strangled the baby in his cradle."

7 I heard nothing more until January, a date that I
8 have subsequently been reminded was January 7, when Weinberger
9 said he had another meeting. The same preparation, oral
10 preparation, which he didn't need, went into it. He went over
11 had the meeting. All he told me is no decision was made. He
12 did not debrief me at that time. He has subsequently told me
13 more. He said there was no decision that came out of this
14 meeting.

15 That was basically the message I think my colleagues
16 at State got as we tried to compare what our bosses found out
17 -- basically no decision.

18 Sometime in late January I remember I was informed
19 by then-Major General, now Lieutenant General Colin Powell
20 that the President had directed that some weapons be shipped
21 to Iran and that the Secretary had ordered General Powell to
22 make it happen, with two provisos -- one, that this was an
23 Economy Act transfer and, two, that the United States Depart-
24 ment of Defense did not lose money on the deal.

25 Powell informed me subsequent to his making the

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SRB report

Next Steps: The Iranians, the Israelis, and our U.S. businessman plan to meet in London on Saturday, December 6 to discuss whether or not to proceed with the sale of the TOWs and HAWKs. The Israeli government has informally told us that if they can be assured of "prompt" resupply, they will sell the quantities requested from their prepositioned war reserve. 3,300 TOWs represents [sic] [a significant proportion] their available supplies.

The U.S. businessman has arranged for the charter of two non-U.S. registered aircraft for use in the deliveries. The total delivery would be conducted in 5 flights from Tel Aviv to Tabriz, Iran via interim airfields in Europe. . . . Each delivery is to result in the release of a specified number of hostages. Arrangements for the interim airfields, overflight rights, and flight plans have been made, some with the help of the CIA. A communications code to preserve operational security is available for use by all parties. All aircraft would be inspected by an Iranian at one of the transient locations between Tel Aviv and Tabriz. The entire evolution is designed to be completed in a 24 hour period. It can be stopped at any point if the Iranians fail to deliver.

The greatest operational security concern is that of replenishing Israeli stocks. The Israelis have identified a means of transferring the Iranian provided funds to an Israeli Defense Force (IDF) account, which will be used for purchasing items not necessarily covered by FMS. They will have to purchase the replenishment items from the U.S. in FMS transaction from U.S. stocks. [sic] Both the number of weapons and the size of the cash transfer could draw attention. If a single transaction is more than \$14.9 M, we would normally have to notify Congress. The Israelis are prepared to justify the large quantity and urgency based on damage caused to the equipment in storage.

* * *

If this process achieves the release of the hostages and proves the credibility of the Iranian contacts in Europe, Bud McFarlane would then step in to supervise achieving

the longer range goals. Additional meetings with the Iranians would be arranged to further our objectives without requiring such large scale sales/deliveries by the Israelis.

Approval is now required for us to take the next steps on Saturday. After carefully considering the liabilities inherent in this plan, it would appear that we must make one last try or we will risk condemning some or all of the hostages to death and undergoing a renewed wave of Islamic Jihad terrorism. While the risks of proceeding are significant, the risks of not trying are even greater.

([North], "Special Project Re Iran," 12/5/85)

The President met his principal national security advisors on December 7 in his residence. The President, Secretaries of State and Defense, Deputy Director of the CIA, McFarlane, Poindexter, and the President's Chief of Staff attended. (Ellen M. Jones, Presidential Diarist, to Jay M. Stephens, 1/24/87 (information from the Presidential Calendar, which apparently is called a Diary))

Recollections of the meeting vary. In his meeting with the Board on January 26, 1987, the President said he recalled discussing a complex Iranian proposal for weapons delivered by the Israelis in installments prior to the release of the hostages. The President said that Secretary Shultz and Secretary Weinberger objected to the plan, and that this was the first time he "noted down" their opposition. The President said that the discussion at the meeting produced a stalemate.

The Attorney General remembered attending; he did not think McFarlane was present, and thought that Fortier probably attended. (Meese 4) The subject of the meeting—the Iran transactions—was announced in advance, and the principals had time to prepare. (Shultz, SRB, 31; Armitage, 5) According to the Secretary of State,

Poindexter suggested that Mr. McFarlane could contact the Iranians in London to ask them to release the hostages without getting equipment. If they would do so, we, then, would be prepared for a better relationship with them.

I fully supported this proposal.

Vice Admiral Poindexter suggested that Mr. McFarlane should be authorized to ask the British to sell arms to Israel [?Iran] if the Iranians rejected his first proposal. I opposed this idea. I said it was still U.S. arms, that it was a more complicated deal that would make us even more vulnerable. Other views were expressed.

No decision was made, however, at that meeting, as far as I could see. . . .

On December 7, Vice Admiral Poindexter told me privately that the project had fallen apart during Thanksgiving week. That is thinking back to that period. He said he had recommended to the President that we disengage, but that the President did not want to.

I felt in the meeting that there were views opposed, some in favor, and the President didn't really take a position, but he seemed to, he was in favor of this project somehow or other. And, of course, by now he has said publicly that he was in favor of working at the Iranian operation and being willing to sell arms as a signal, as he has now put it.

(Shultz, SRB, 31-32)

When the Secretary of State returned to his office, he told his staff that Secretary Weinberger and Regan also strongly opposed the initiative. The Secretary of Defense spoke for thirty minutes. The Secretary told his staff he felt that he perhaps should have barged in earlier and confronted the President. The problem, he felt, was that McFarland did not tell him the whole story.

The Secretary of Defense had a different recollection of the meeting, which he remembered as taking place in the Oval Office.

[T]here was a quite specific, more detailed proposal that there had indeed been negotiations and discussions between somebody representing McFarlane's office and some Iranians who were reported to be moderates. I think at that meeting John McMahon was there. I'm not sure. Bill Casey may have been, or they both may have been. But there were some adverse comments passed about the veracity of the Ira-

nians involved, I think Ghorbanifar or some such name, but a more formal presentation was now made by McFarlane about what could be accomplished with this and points with respect to getting a better relationship with Iran as well as hopes that they might have a favorable effect on the release of the hostages.

Again, I opposed it very strongly and said I thought really it was a terrible idea and that the transfer of arms which was part of the plan which was to be done to establish the good faith of the negotiators—I think I made some comment about what about the good faith of the Iranian negotiators, and why—went through a whole catalogue of things which didn't require any gift of prophecy as to what would happen if this became public. . . . [T]he advice I gave in this case was as firm as I could do it, obviously not persuasive enough but as persuasive as I could do it, that all kinds of very unfortunate effects would result if this took place, that we were pleading with a large number of countries not to do this, that Jordan and Egypt regarded Iran as at least as much of a great Satan as they regarded us, and that it would be a very bad thing in every way to do, and that it wouldn't accomplish anything, and that they would undoubtedly continue to milk us.

At this time again, the Israeli connection or the Israeli support of such a transaction I guess is the better way to put it, was advanced by McFarlane. And I said that another of the problems that I thought with it was that doing anything of this kind and attempting to keep it on a clandestine basis would leave us open to blackmail of the very most elementary kind by the people who knew about it, that is, the Israelis and also Iranians, and that any time they weren't getting what they wanted, they could in one way or another, in Mideast fashion, go public with it and cause all kinds of problems with it, that there was no way that I ever felt I could talk with [moderate Arab States] again if we were supplying arms to [a] bitter enemy when we wouldn't supply arms to him et cetera et cetera, just a whole series of arguments

George Shultz made some very strong arguments along the same line . . . A very strong, very persuasive argument. And again, my impression pretty clearly was that the President agreed that this couldn't be done, that it might be a good thing to achieve these objectives but it wouldn't work, and that this was not a good way to do it.

(Weinberger 9-12) Armitage remembered the Secretary of Defense saying that he and Secretary Shultz "thought they had 'strangled the baby in the cradle' ." (Armitage 6)

In his first interview with the Board, McFarlane recalled suggesting to the President on December 1 that the negotiations with the Iranians "seemed to be getting skewed towards arms going that way and hostages coming this way. . . . I thought we ought to seek a meeting directly with the Iranians and discontinue any kind of sponsorship of arms transfers." (McFarlane (1) 25) In this interview, McFarlane remembered the President's suggesting an NSC meeting to consider it. (*Id.*) At the meeting,

we went through the record of what had occurred since August in terms of Israeli transfers and the absence of meetings, and at consensus, the unanimous view of all of his advisors, the President decided: All right, you go to London, McFarlane, and you meet with the Iranians and make clear that we remain open to the political discourse, and here it is. And there were about four generic areas that we wanted to talk to Iran about, our disagreements and so forth.

And the second point is that we will not transfer nor encourage any other government to transfer weapons to them.

(*Id.* at 26)

McFarlane gave the Board a fuller account in his second interview.

[R]ight after the summit, after I got back from debriefing the Holy Father and Mitterand and Prime Minister Thatcher, we had some time to look at other things, and I didn't even come to the office. I went directly from London to Washington to California but had two days before the President got there to just kind of think

through how things had gone, and they hadn't gone very well.

The idea originally of us getting in direct communication with Iranian officials hadn't happened, and instead this imperfect demonstration of bona fides had been imperfect, rather dramatically, and had become their priority, with a very clear lack of good faith, I thought. And I said to the President after thinking about it, and I went down to Santa Barbara and we talked, both about my resignation but then about the results of this program. And I believe it occurred in the Century Plaza Hotel on a morning.

And I said that it seems to me that we ought to try to reorient it to its original purpose. Mr. President, and that is for us to avoid dealing through intermediaries and to talk to Iranians directly, and he agreed with that. And he said convene the NSC—the Secretary of State and Defense—and let's talk it over when we get back. So that is what led me to then do two things—convene a meeting and tentatively ask Admiral Poindexter, I believe, to have a meeting with the Iranian intermediary set up in London.

So with that prelude a meeting was convened on December 7 of the NSC, and I would, I believe, have presided because I was still sitting in the chair. What I am saying now is based upon routine and not notes from it. But I always started off by briefing the issue. Here we are today convened to talk about the Iranian program. Here is what has happened since the beginning and here is the return, the benefits and the liabilities of it, and the decision is what should we do or what should we do henceforth—continue as we have, change, or something else.

And then invite the comments of everybody around the table, usually start with the Secretary of State, then the Secretary of Defense, and around the table, and that would have led to the Director of the CIA, and any one of the other ad hoc members that happened to be present. Usually it was Mr. Regan.

And it was unanimous in the meeting that this really had gone badly off course and that we should yes, still be open to talking to Iranian officials, authorities, and have a concrete political agenda to describe. And we talked a little bit about that—our view of our interests in the area, how they were threatened by Iran, disagreements we had with them over terrorism and fundamentalists' crusade in the Middle East, and ultimately perhaps even some common interest—Afghanistan and elsewhere.

But because of how things had gone up until then we ought to also tell them that we were not going to transfer U.S. weapons, sell U.S. weapons. We were not going to allow or encourage anybody else to do so. And I don't recall anybody disagreeing with that at all.

The President wasn't terribly—didn't intervene in the meeting, as I recall, very much on one side or the other, but at the end said well, okay. That's what you should say. And I left that evening and was in London the next morning, and we took off from there.

(McFarlane (2) 45-47)

Regan's recollection is somewhat different. He recalled that, although McMahan, for example, was informally dressed,

the December meeting got to be more formal because McMahan, among others, raised the question of, you know, what the hell are we doing here. Arms are being sent. Where is the formal authority? You know, what are we doing here? Is this going to be policy?

And as a result of that meeting and people expressing views which now are commonly known, such as State Department and Defense opposed to this. CIA was in favor. NSC was in favor. And I must say that I favored it. I won't deny that I favored keeping the channel open, if necessary selling a modest amount of arms, in order to make certain that we were having contacts with Iran and at the same time, if as a result of this they could influence the Hizballah, as they had in the case of Benjamin Weir, why not.

So I am not certain, but I think I probably also reflect for the most part the President's view on that.

(Regan 14-15)

John McMahon, who represented the CIA recalled that [t]here was no decision. We didn't walk away with any marching orders or any decision at that moment." The President asked questions about strengthening moderates in Iran by selling weapons. McMahon "pointed out that we had no knowledge of any moderates in Iran, that most of the moderates had been slaughtered when Khomeini took over." (J. McMahon 11-12) He noted that any weapons sold "would end up in the front, and that would be to the detriment of the Iran-Iraq balance." (*Id.* at 12) He did not know that McFarlane was about to leave for London. (*Id.*)

After the meeting, McFarlane went to London, where he joined North. North had traveled on December 6 to meet Kimche, Secord, and Schwimmer "to review all the arrangements" in connection with the plan North set forth in his note to Poindexter of December 4. (North PROF note to Poindexter, 12/4/80:02:02:55) On December 8, before meeting with Ghorbanifar, and Nimrodi, McFarlane privately reported his instructions to Kimche.

Kimche was upset and he said: I think you're missing a big opportunity; that you have to have some patience; that these movements take time to consolidate; and these people are delivering to us important items, information basically; and that we see signs from our intelligence that they're making headway and beginning to lock up and arrest radical elements and put their own people in more responsible positions, and the gradual evidence of their growing influence and ability to act.

And I said: Well, we don't see that; and further, we think it is being skewed off in the wrong direction. So he said: Well, we disagree.

And we went ahead and met with this Mr. Ghorbanifar, and in the course of about three hours I covered my instructions. And he said: Well, I understand the political dialogue, and our people in Iran are very much open to that; and so, the point is