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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Issues Files

OA/ID Number: 29160
Folder ID Number: 29160-008

Folder Title:
Honduras (1989)

Stack:	Row:	Section:	Shelf:	Position:
G	15	25	2	5

-- CONFIDENTIAL --

TO: John Sununu

FR: Warren Rudman *WR*

DATE: 4/20/89

RE: New Iran-Contra Documents/White House Response:

Following our conversation yesterday, I was astounded to see an unnamed Administration official quoted in this morning's Post to the effect that the documents were "available" to the Iran-Contra committees and suggesting that all we had to do was ask for them. Frankly, if you can't get your people to shut up, they're not going to shoot you in the foot -- they are going to shoot the President in the head.

The fact is that the 2 committees asked on several occasions for the right to look through the North material, and that the White House consistently denied the request. The then-White House argued, with some legitimacy, that there was highly sensitive material in North's possession which was totally unrelated to the Iran-Contra affair and they did not want that material to be seen by those with no "need to know."

Additional searches of the material were done by the FBI at our request, and the White House finally asserted that we possessed everything that was relevant. To reassure us, the White House gave us an inventory of the North material and said we could ask for anything we spotted.

However, I have the inventory and it does not list individual documents; instead, it lists folders. The inventory provides no clue that there were missing documents, which is why nothing further was requested by the 2 committees. For current White House officials to say that the missing documents were "available" might be technically true, but it is clearly disingenuous and misleading.

In large part because of our dealings with Howard Baker and A.B. Culvahouse, many of us do not believe that the White House deliberately withheld material from the Iran-Contra committees. But, it is obvious that we should have received the documents in question. Human error is a likely candidate for the omission, but we do not at this point know exactly what happened.

But, continued efforts by your minions to blame the committees for not getting the documents is simply going to at least infuriate people. Moreover, it will especially offend John Nields, the most persistent advocate of the view that we should not rely on White House and FBI searches of the material, and John has significant influence with the House Democrats who served on their committee.

What you are going to end up with, if you don't watch it, is a full scale congressional investigation into why the committees did not get the material and what President Bush really knew. Keep in mind that we did not focus on the President in the Contra part of our investigation largely because of the absence of any evidence that he knew anything, and the documents we did not get might indicate some knowledge.

Disingenuous attempts to blame the committees will poison the atmosphere and fuel efforts to embarrass the President. And, believe me, one can cause problems for the President just on the basis of existing evidence. It just depends on the standard of evidence one chooses to use.

I have seen the Mitchell-Inouye letter to President Bush and, frankly, it is quite low key. It simply notes that we did not get some material, that this is potentially serious, and asks for a presidential investigation into why documents were not provided.

A White House counsel with a brain would respond by saying that (a) we were not on that watch and do not know exactly what happened, (b) we doubt there was any deliberate withholding, and (c) we will be pleased to work with Congress to find out exactly what happened.

Instead, Boyden Gray leaks a confidential memo and helps produce a Wall Street Journal editorial which misstates Mitchell's position, thus managing to irritate him and embarrass me in one fell swoop. White House officials make ridiculous statements to the press, thereby annoying everyone involved in Iran-Contra investigation. And, after I warn you, unnamed Administration officials repeat the ridiculous statements.

There are some up here who would like to help you. It looks to me like the White House is trying to make that impossible.

If your people cannot say intelligent things, at least get them to shut up.

United States Senate

Warren B. Rudman



TELECOPY COVER SHEET

DATE:

4/20/89

TIME

FROM:

Tom Blgan / Kathy

TO:

Jackie

RE:

DELIVERY:

☒ URGENT

- Please hand carry to addressee.

☐ NORMAL - Deliver at earliest convenience.

PAGES:

☐ Number of pages to follow this cover sheet.

RESPONSE:

☒

PLEASE CALL UPON RECEIPT.

☐ NO RESPONSE NECESSARY.

COMMENTS:

SENT BY:

U.S. Sen. Warren B. Rudman - Washington, D.C.
(202) 224-3324 (202) 224-1609 [telecopier]

THE WHITE HOUSE
WASHINGTON

May 1 - 3:45pm

Governor:

SENATOR RUDMAN called.

He has adequate security to store classified information now and would like to receive the "secret cables" you discussed on Friday. He would like them tomorrow if possible.

"On reflection" he thought it would be a good move for the White House to make those cables available to the Senate Intelligence Committee as they have a legal right to see them anyway. Given the press calls Bob Stevens has been receiving, it would be better PR for the White House to offer the information before an official request is made to the State Department.

Regardless of your decision regarding the Committee, Rudman would still like to receive copies.

katie

United States Senate
Office of the Majority Leader
Washington, DC 20510-7010

April 17, 1989

F. McFarlane

The President
The White House
Washington, D.C.

Dear Mr. President:

In recent weeks a number of documents bearing on the Iran-contra affair have been made public.

It appears that several of these documents may not have been provided to the U.S. Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition during its investigation and hearings into the Iran-contra affair.

We address this letter to you personally to underscore the gravity of the matter if there has been, in fact, a failure to produce these documents to Congress.

Some of these documents bear on the conduct of U.S. foreign policy in Central America during the period between February, 1985 and October, 1985, and raise serious questions regarding the activities of government officials in efforts to circumvent the provisions of the law.

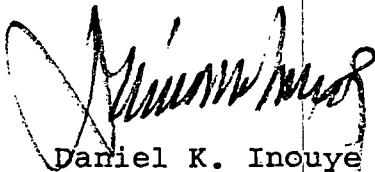
The documents include, for example, a February 19, 1985 memorandum to President Reagan from then National Security Advisor Robert McFarlane concerning a proposed letter to then President Roberto Suazo Cordova of Honduras, apparently approved by the President; a February 20, 1985 memorandum to Robert McFarlane from Oliver North and Raymond Burghardt,

The President
April 17, 1989
Page two

with attachments, and a notation from Admiral John Poindexter; a February 11, 1985 memorandum to Robert McFarlane from Oliver North and Raymond Burghardt regarding a special emissary to Honduras to verbally brief President Suazo on 'conditions' for expedited assistance, bearing a notation from Admiral Poindexter to McFarlane; an October 30, 1985 memorandum to Robert McFarlane from Oliver North, bearing a notation by John Poindexter indicating the President's approval, concerning reconnaissance overflights of Nicaragua with attachments concerning the air-drop of recoilless rifles to the Nicaraguan resistance; an April 25, 1985 memorandum from Robert McFarlane recommending a telephone call from President Reagan to President Suazo, bearing apparent notes by President Reagan; and other documents related to these matters.

We respectfully request that you direct an immediate and thorough investigation and report to determine whether any documents were not provided to the Senate Select Committee; the identity of such documents, if any; and the circumstances under which such documents, if any, were not provided.

We look forward to your reply.



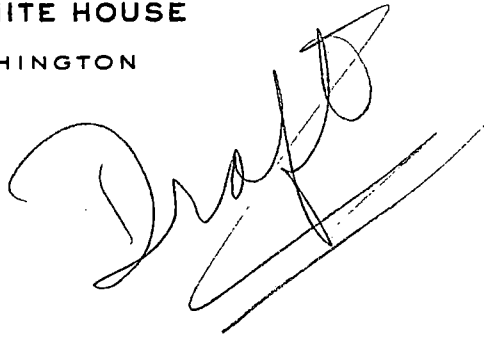
Daniel K. Inouye

Sincerely,



George J. Mitchell

THE WHITE HOUSE
WASHINGTON



Dear Majority Leader:

The President has asked me to respond to your letter of April 13, 1989, in which you raised questions concerning the availability to Congress of documents in the Iran/Contra matter. I have personally reviewed the documents you have identified and the records referencing the processs which you and President Reagan agreed to regarding your access to White House and NSC documents. Based upon my review, I can assure you that both the Senate and House Iran/Contra committees had full access to all relevant documents.

I refer you first to the agreement between the White House and the Iran/Contra Select Committees spelled out in the attached letters from A. B. Culvahouse to Chairman Inouye and Senator Rudman (June 9, 1987), and A. B. Culvahouse to Senator Rudman (June 4, 1987). The committee members and staff were given the opportunity to request, access, and analyze any documents in the possession of the White House or the National Security Council pertaining to the Iran/Contra matter. North's attorneys also had access to these same materials as a result of Judge Gesell's June 14, 1988, order which provided that North be given access to all materials removed from his office (see attached order). As a result of their searches, some of these documents were entered into evidence in the case.

You identified five documents in your letter that you worry may have been withheld from Congress. To the contrary, my review indicates that the committee had access to all of these documents and retained in its possession copies of several of them. Including a draft of the February 19th memorandum (attached). Additionally, if you were surprised that you did not recognize the facts as outlined in the stipulation, you are not alone. The Independent Counsel himself noted that the stipulation (which was drafted by North's attorneys) was misleading:

"The Office of Independent Counsel believes that defendant's description of other Administration

officials' dealings with foreign countries concerning the Contras is in many ways incomplete and therefore distorted. However, we are willing to concede defendant's characterization because any effort by the defense--however distorted--to prove these facts through actual documents and testimony would pose a substantial risk of disclosure of classified information."

It is regrettable that we have to live with a process that produces a document that is simply not reliable. To make sure that its distortions are not perpetuated any more than necessary, and to assure you that the committee was given full access to all documents, I will be happy to answer any further questions you may have on this matter.

If I can be of further assistance please let me know.

Sincerely,

C. Boyden Gray
Counsel to the President

The Honorable George J. Mitchell
Majority Leader
United States Senate
Washington, DC 20510

THE WHITE HOUSE

WASHINGTON

1989 APR 18 PM 3:23

April 18, 1989

MEMORANDUM FOR THE PRESIDENT

JOHN SUNUNU
BOYDEN GRAY

FROM: FREDERICK D. McCLURE 

SUBJECT: Attached letter

The attached letter from Senators George Mitchell and Daniel Inouye was delivered late yesterday.

The letter refers to a number of documents regarding the Iran-Contra affair which have recently received attention because of the Oliver North trial. The letter raises a question as to whether these documents were provided to the special committee, chaired by Senator Inouye, which investigated the Iran-Contra matter. The letter goes on to request an "immediate and thorough investigation and report" as to whether these documents were in fact provided to the committee.

This letter would seem to require an immediate response to avoid an appearance of uncertainty on this point and to put to rest any further speculation regarding the documents.

John Hastings

January 19, 1989

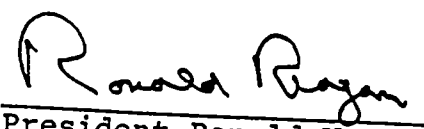
Memorandum of Agreement Between President Ronald W. Reagan
and the Archivist of the United States

The following understandings, terms, and conditions shall govern the custody, control, storage, access, and disposition of all documents related to the Iran/Contra matter over which the Office of the Counsel to the President maintains custody and control as of midnight on January 19, 1989, unless superseded by a subsequent agreement by the parties herein.

1. As used herein, the term "documents" is defined to include:
 - a. Presidential records as defined by the Presidential Records Act of 1978, 44 U.S.C. § 2201(2), which were created or received during President Reagan's terms of office.
 - b. Federal records as defined by the Federal Records Act, 44 U.S.C. § 3301.
 - c. Personal records such as certain excerpts from President Reagan's personal diary that are the property of Ronald W. Reagan.
2. As used herein, the term "Iran/Contra Task Force" is defined as the group of individuals working under the supervision of the Office of the Counsel to the President who will have physical custody of the documents.
3. Formal custody and control of all Presidential records will be transferred from President Reagan to the Archivist of the United States as of 12:00 p.m. on January 20, 1989. In addition, as of the same time, the Archivist agrees to store, along with the above-referenced Presidential records, both the Federal records and President Reagan's personal records that are subject to this agreement.
4. The Archivist agrees to keep all documents intact at a convenient facility in the Washington, D.C. area and to defer processing of the Presidential records that are subject to this agreement pending resolution of all litigation concerning the Iran/Contra matter or until directed to do otherwise by the incumbent President.
5. Formal custody and control of the above-referenced Federal records will be transferred to the Archivist at the conclusion of the Iran-Contra litigation unless the agency in which those records were originated objects. The originating agency shall be provided with an opportunity to object to such a transfer or to remove original agency records before custody and control is transferred to the Archivist.

6. President Reagan's personal records that are subject to this agreement are to be stored by the Archivist with the understanding that President Reagan will transfer title to those records by deed of gift at the conclusion of the Iran/Contra litigation. The Archivist shall have no responsibility for the preservation and maintenance of President Reagan's personal records until such time as President Reagan transfers title to those records to the Archivist.
7. President Reagan, and any individuals or entities that President Reagan designates in writing to the Iran/Contra Task Force Coordinator, shall have unconditional and unlimited access to all documents, subject to verification by the Iran/Contra Task Force that all individuals provided access to classified materials have the necessary security clearances.
8. The Counsel to the President and any member of the Executive Branch authorized by the Counsel to the President or his designee shall have unconditional and unlimited access to all Presidential and Federal records that are subject to this agreement. No member of the Executive Branch, including members of the Iran/Contra Task Force, shall have access to any of President Reagan's personal records that are the subject of this agreement without the written authorization of President Reagan.
9. The Archivist shall rely on the Iran/Contra Task Force to respond to requests for assistance by those individuals and entities authorized under paragraphs 7 and 8 to have access to the Presidential and Federal records that are subject to this agreement.
10. Access to the above-referenced Presidential records by any person or entity not specified in paragraphs 7 and 8 will be subject to the terms and conditions of the Presidential Records Act of 1978, 44 U.S.C. § 2201 et seq. and the regulations implementing that Act, 36 C.F.R. 1270.
11. Access to the above-referenced Federal records by any person or entity not specified in paragraphs 7 and 8 will be subject to the terms and conditions of the Freedom of Information Act, 5 U.S.C. § 552.
12. Access to President Reagan's above-referenced personal records by any person or entity not specified in paragraph 7 will be subject either to the approval of President Reagan under whatever terms and conditions he specifies or, once President Reagan has transferred title to those records by deed of gift, to the terms and conditions specified in the deed of gift.


Archivist of the United States


President Ronald W. Reagan

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 19, 1987

THE TRADE, EMPLOYMENT, AND PRODUCTIVITY ACT OF 1987

FACT SHEET

In his sixth State of the Union address, the President established a national goal of ensuring American competitive preeminence into the 21st Century. "It is now time," the President said, "to determine that we should enter the next century having achieved a level of excellence unsurpassed in history."

The Trade, Employment, and Productivity Act of 1987 is the legislative centerpiece of the President's competitiveness initiative. With the President's FY 1988 budget proposal and other proposals, this omnibus legislative package constitutes a six-part program aimed at:

1. Increasing investment in human and intellectual capital;
2. Promoting the development of science and technology;
3. Better protecting intellectual property;
4. Enacting essential legal and regulatory reforms;
5. Shaping the international economic environment; and
6. Eliminating the budget deficit.

The Trade, Employment, and Productivity Act of 1987 contains five titles that fulfill the Federal government's responsibility to do everything possible to promote America's ability to compete.

TITLE I -- INVESTMENT IN HUMAN AND INTELLECTUAL CAPITAL
ACT OF 1987

The President believes that to achieve competitive preeminence, our society must pursue excellence in education. We must also help dislocated workers adapt to changes in our economy and provide economically disadvantaged youth the opportunity to become productive members of our society. Title I of the Trade, Employment, and Productivity Act of 1987 includes:

- A. Education Consolidation and Improvement Amendments Act of 1987. Reauthorizes Chapters 1 and 2 of the Education Consolidation and Improvement Act (ECIA) to target resources on the neediest schools and youngsters; foster greater innovation, experimentation and parental choice; build accountability into the program; and provide incentives and rewards for success.
- B. Bilingual Education Act Amendments of 1987. Reforms Federal bilingual education grants to give school districts greater flexibility in designing and operating programs that address the particular education needs of their limited English proficient students.

MORE

--MORE--

- C. Worker Readjustment Act. Authorizes a new, \$980 million worker adjustment program that will:
- Help an estimated 700,000 additional dislocated workers each year (almost triple the number served under existing programs). The program will cover all dislocated workers, including farmers, not just those demonstrably affected by imports;
 - Offer counseling, job search assistance, basic education and job skill training;
 - Provide training and adjustment opportunities to workers early -- long before they exhaust unemployment benefits; and
 - Replace the Trade Adjustment Assistance and Job Training Partnership Act Title III programs.
- D. AFDC and Summer Youth Employment and Training Amendments of 1987. Creates an \$800 million program under the Job Training Partnership Act (JTPA) intended to help economically disadvantaged youth become productive adults, open to the opportunities that America provides and returning to society the talents that are critically needed. The program will give communities the option of using JTPA funds now provided for summer jobs for remedial education and skills training for young people receiving assistance under the Aid to Families with Dependent Children (AFDC) program.
- E. Greater Opportunities Through Work Programs Act of 1987. Establishes a new employment and training effort under the AFDC program: Greater Opportunities through Work (GROW). The purpose of this new program is to encourage young teenage parents and children receiving AFDC who lack a high school education to stay in or return to school. Older AFDC recipients will participate in a variety of employment and training activities, including remedial education, determined by each state.
- F. Employment Security Administrative Financing Act of 1987, and
- G. Employment Services Act of 1987. Give States greater flexibility in developing comprehensive approaches to the problems of the unemployed by decentralizing authority, financing, and responsibility for administering the Unemployment Insurance and Employment Service programs.

TITLE II -- NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT

Advancing science and technology is fundamental to U.S. competitiveness. Federal policies must serve three broad objectives:

- o Generating new knowledge in advanced technologies;
- o Swiftly transferring new technologies to the marketplace; and
- o Expanding the Nation's talent base in the sciences and technologies.

To help achieve these objectives, the Trade, Employment, and Productivity Act of 1987 authorizes appropriations for the National Science Foundation, doubling the budgetary commitment to its programs over a five-year period.

TITLE III -- OMNIBUS INTELLECTUAL PROPERTY RIGHTS
IMPROVEMENT ACT OF 1987

The President believes it is vital to ensure that we provide adequate protection, both domestically and internationally, to those who create new ideas and invent new products and services. Title III of the Trade, Employment, and Productivity Act of 1987 includes the following provisions:

A. Intellectual Property Reform Act of 1987. Statutory changes to:

- Encourage licensing of patented technology by limiting the "patent misuse doctrine" to actual anticompetitive conduct;
- Increase protection for products resulting from patented processes to the same level as that accorded such products by our major trading partners;
- Provide a more flexible standard of review under the antitrust laws for intellectual property licensing arrangements and eliminate treble damage recovery for anticompetitive licensing arrangements;
- Restore the bargaining power of parties contracting to license technology by codifying and clarifying the Supreme Court holding in Lear v. Adkins;
- Restore the term of patents covering agricultural chemical products and animal drugs up to a maximum of five years to compensate for the period of a patent term lost due to mandatory Federal premarketing regulatory review and testing; and
- Reduce the cost of defending patent rights by:
(1) awarding attorney fees to the winning party in cases of frivolous actions or willful infringement; and (2) requiring challenges to patent validity based on publications to be considered first in an administrative proceeding before going to court unless to do so would not be in the public interest.

B. Freedom of Information Act Amendments of 1987. Broadens the statutory definition of trade secrets and confidential commercial information under the Freedom of Information Act (FOIA) to permit agencies to withhold information if disclosure would be harmful to agency programs or commercial interests. Also provides a new exemption from the FOIA for technical data that may not be exported outside the United States without approval.

C. Regulation of Commerce in Digital Audio Recording Devices Act of 1987. Provides a technological solution to the potential problem of unauthorized copying of copyrighted material on digital audio tape recorders. Requires that digital audio recording devices include decoder technology that would prohibit recording of copyrighted digital tapes that are coded with an inaudible signal.

TITLE IV -- LEGAL AND REGULATORY REFORMS ACT OF 1987

Outmoded rules and regulations and self-imposed disincentives place America at a disadvantage in the world marketplace. The Trade, Employment, and Productivity Act of 1987 includes a number of proposed legal and regulatory reforms to eliminate these obstacles to competitiveness.

- A. Product Liability Reform Act of 1987. Reduces the costly product liability insurance spiral that increases the costs of U.S. products and undermines the ability of U.S. manufacturers to develop and market new and innovative products. This title will:
- Retain a fault-based standard of liability;
 - Eliminate joint and several liability except in cases where defendants have acted in concert;
 - Limit compensation for noneconomic damages to a fair and reasonable amount;
 - Provide for periodic, instead of lump sum, payments of damages for future medical care or lost income;
 - Reduce awards in cases where a plaintiff also is compensated by other sources, such as government benefits;
 - Reduce transaction costs by limiting attorneys' contingent fees to reasonable amounts on a sliding scale; and
 - Encourage litigants to resolve more cases out of court.
- B. Antitrust Amendments of 1987. These comprehensive changes are aimed at enhancing the vigor of American businesses, while continuing to protect consumers and firms from monopolies, cartels, and price fixing. These proposals include:
- Amending Section 7 of the Clayton Act to distinguish more clearly between pro-competitive mergers and mergers that would create a significant probability of increased prices to consumers;
 - Limiting private and government antitrust actions to actual (rather than treble) damages, except for damages caused by overcharges or underpayments;
 - Removing unwarranted and cumbersome restrictions on interlocking directorates;
 - Clarifying the application of U.S. antitrust laws in private cases involving international trade; and
 - Requiring that any antitrust claims remaining against other defendants after a partial settlement in a case be appropriately reduced.
- C. Interstate Commerce Commission Sunset Act of 1987. Eliminates economic regulation of surface transportation industries (other than railroads) and terminates the Interstate Commerce Commission on October 1, 1987.
- D. Oil Pipeline Regulatory Reform Act of 1987. Repeals federal rate regulation of those oil pipelines that operate in a competitive market.
- E. Natural Gas Policy Act Amendment of 1987. Provides access to natural gas transportation systems, deregulates natural gas wellhead prices, and repeals natural gas demand restraint provisions of the Fuel Use Act.

- F. Motor Vehicle Information and Cost Savings Act of 1987. Repeals corporate average fuel economy standards established for automobiles that place American automobile manufacturers at a competitive disadvantage and produce economic distortions.
- G. Export Administration Act Amendments of 1987.
- Provides authority to establish licenses for multiple exports to China, making U.S. exports to China more competitive;
 - Clarifies authority to curtail sales in the U.S. of items controlled for national security purposes to commercial entities that are owned by certain countries;
 - Establishes a deadline of 120 days to complete foreign availability assessments, and a grace period for consultation prior to decontrol;
 - Provides a presumption of license approval to a free world country for a product controlled for national security purposes, if the product is available to the country without effective restriction. USG has 20 days to review (with a 15-day extension possible) before the license is deemed issued, unless the license is denied before then because of an unacceptable risk of diversion;
 - Establishes U.S. objectives for negotiations with COCOM governments including removal of items from the International Control List (ICL) where controls are ineffective or unnecessary;
 - Authorizes the Secretary of Commerce to bar persons (and their affiliates) who have been convicted of violating export control laws from receiving export licenses; and
 - Permits the Secretary of Commerce to deny export privileges for 180-day periods in order to prevent an imminent violation or where necessary to facilitate enforcement of the Export Administration Act (EAA).
- H. Financial Services Regulatory Efficiency Act of 1987. Implements the recommendations of Vice President Bush's Task Force on the Regulation of Financial Services, by thoroughly restructuring the Federal financial services regulatory framework through the creation of a new Federal Banking Agency and other major reforms.

TITLE V -- INTERNATIONAL ECONOMIC ENVIRONMENT IMPROVEMENT ACT OF 1987

Government can play a key role in enhancing the Nation's competitiveness by shaping the international economic environment in which American knowledge, talent and entrepreneurship can flourish.

- A. Trade Competitiveness Act of 1987.
- Provides negotiating authority for the Uruguay Round of trade negotiations with substantially expanded requirements for consultation with the Congress and the private sector;

- Strengthens the antidumping law by creating a new, predictable pricing remedy to cover products from non-market economies and tightening the antidumping and countervailing duty laws through new anti-circumvention provisions to prevent evasion of duties;
 - Tightens Section 301 of the Trade Act of 1974 (relating to unfair trade practices) by establishing a 24-month deadline on dispute settlement cases and requiring coordination with Congress through reports on the commercial effects of Section 301 cases;
 - Establishes reciprocal access to foreign markets as an additional factor for consideration in Section 301 cases;
 - Amends Section 201 of the Trade Act of 1974 (relating to relief from injury caused by imports) to: provide expedited relief for perishable agricultural products; create additional options for relief, including multilateral negotiations and regulatory reform; and clarify that relief can be granted during a recession;
 - Makes International Trade Commission proceedings under Section 337 of the Tariff Act of 1930 (relating to certain unfair trade practices) more effective by eliminating the current requirement to prove injury to a domestic industry when intellectual property infringement is involved;
 - Improves the Export Trading Company Act and establishes an export promotion data system; and
 - Amends Customs user fees for cargo processing operations to reflect more accurately the costs of providing Customs services and to extend these fees beyond the scheduled expiration date.
- B. Business Practices and Records Act of 1987. While ensuring that bribery to gain foreign sales is deterred through criminal sanctions, the proposed statutory changes will eliminate the uncertainties and clarify ambiguities in the Foreign Corrupt Practices Act (FCPA). Specific reforms include:
- Replacing the "reason to know" standard with a more objective standard, such as "directs or authorizes";
 - Specifying what types of payments should be exempt from the Act; and
 - Clarifying required bookkeeping under the FCPA.

PRIVATE PENSION FUNDING

Separate from the Trade, Employment, and Productivity Act of 1987, the President is proposing legislative action to increase security for workers in their privately provided pensions by allowing employers to withdraw excess assets from pension plans without having to terminate them, and by requiring improved employer funding of underfunded pension plans.

CONCLUSION

The Trade, Employment, and Productivity Act of 1987 fulfills the Federal role in promoting American competitiveness. All Americans, however, must share responsibility for promoting our ability to compete:

- o Business must work more efficiently, setting high standards of quality; streamlining operations; discarding outmoded systems and management styles; adapting to change and building on the American entrepreneurial tradition.
- o Workers must be enabled to reach their potential by taking advantage of new technologies; investing in education, training and skill improvement; and taking pride in their work.
- o Families, supported by State and local governments, have the greatest responsibility of all -- creating an educational environment that can make our young people productive citizens, able to achieve the best, both spiritually and materially. We must strive for excellence in education.

As the President said in his State of the Union address:

"...[W]e must act as individuals in a quest for excellence that will not be measured by new proposals or billions in new funding. Rather, it involves an expenditure of American spirit and just plain American grit."

#

6 Documents

Not withheld -

FBI agents missed.
then

Never turned over -

These Documents -
since Sullivan knew what was being for -

they were basis

John Dancy from NBC News -

"Are people wrong?"
He said "I'll inform it for you" - 4

Irrelevant

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Acted in good faith

One folder -

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Lady - IOPA

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Talk to Person

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Bair

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PG 87626

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Index was at the bot level
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question

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He is in custody @ Bot
level - if you want us to
go tell again

All documents related in the letter
April 17. from Sen. Mitchell & Meyer
to the WH. were available to the
Independent Counsel & the Iran Contra
Investig Comm.

All such docs related to the
Iran Contra Case were either accessible
to the Dade Counsel, the FBI and
the I Cont Committee

never asked

Gave [unclear]
[unclear] [unclear]
to files

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Clarification for

on A.B. Calverhouse

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THE WHITE HOUSE

WASHINGTON

June 4, 1987

Dear Senator Rudman:

Howard Baker and I appreciate your advising us Monday of the concern of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition and the House Select Committee to Investigate Covert Arms Transactions with Iran (the "Select Committees"), relating to the search for documents in the custody of the National Security Council ("NSC") that may be relevant to the Select Committees' investigation. As background for our meeting this afternoon on the document production issue, I thought it would be helpful to outline in some detail (perhaps too much detail) the process applicable to NSC documents.

By memorandum of March 27, 1987, I requested the NSC to undertake the collection of all documents in NSC custody relevant to the Select Committees' requests. The relevancy criteria specified in my memorandum were established pursuant to discussions among representatives of my office, the Senate and House Select Committees, and the Office of Independent Counsel.

The document review and production requested by my memorandum was performed under the general supervision of my office, and with the full cooperation and support of Frank Carlucci and his staff. The NSC's Senior Director for Information Policy/Security, Brenda Reger, was detailed to my office to coordinate these document production efforts.

For the purpose of identifying relevant information, five categories of records were reviewed as follows:

Categories 1 and 2: NSC Institutional Records and Presidential Records.

A so-called systems search was conducted of these records, in accordance with some 15 key words. The search terms for this purpose were developed by the NSC in conjunction with the Office of Independent Counsel; they were designed to identify any document logged in any of the four record systems that could conceivably fall within the terms of my March 27 memorandum. These records systems are NSC System I (containing administrative and other records of a routine nature); NSC System II (containing, *inter alia*, National Security Decision Directives ("NSDDs"), National Security Study Directives ("NSSDs"), and minutes of NSC, National Security Planning Group ("NSPG") and other interagency group meetings); NSC System IV (containing all intelligence-related documents); and a fourth records system relating to access requests made under the Freedom of Information

Act ("FOIA") or otherwise. (I should note that there is no NSC System III.)

A team of ten professional archivists provided by the National Archives, as well as Special Agents of the FBI assigned to the Office of Independent Counsel, have reviewed all potentially relevant materials identified through this systems search of Systems II, IV and the FOIA system.

All NSDDs, NSSDs, files relating to meetings of the NSC, NSPG, and other interagency groups, and related subject matter files -- even where not found to be relevant on a key-word basis -- were also hand searched by the professional archivists. In addition, every document in System IV, whether relevant or clearly not relevant, is being searched physically by the two Special Agents who were specifically cleared to review all System IV documents, including those in extremely sensitive compartments totally unrelated to any Iran/Contra issue. As the Select Committees staff is aware, we arranged this physical search through all System IV documents in order to assure that there existed no potentially relevant document in that System which may not have been retrieved by computer search, for whatever reason. This hand search of System IV (which has taken the two agents approximately two weeks) is very nearly complete and no additional relevant documents have been found.

At the Select Committees' request, Frank Carlucci authorized a former member of the NSC Secretariat staff to direct his own key-word searches of NSC System IV; such searches were conducted in the presence of senior legal staff of the Select Committees as well as an FBI agent on Judge Walsh's staff. These searches, the purpose of which was to attempt to locate a particular document or documents that allegedly existed and might be relevant, yielded no document not previously identified.

Finally, computer profiles describing potentially relevant documents identified in System I are available for review at the Select Committees' request.

Category 3. Current NSC Staff Members.

By memorandum of April 2, 1987, the NSC Executive Secretary directed staff at all levels of the National Security Council and Crisis Management Center to cooperate in a similarly thorough review of convenience files in their custody. The staff was encouraged to retire to central files all such files dating prior to January 2, 1987; as a result, approximately 400 boxes of files were retired to central files, all of which were then reviewed for relevancy by the professional archivists and the FBI. The staff was required to inventory, and perform a page-by-page review of, any such files they did not retire; and directed to identify, and

produce to my office, all relevant documents. Senior directors of NSC staff offices were required personally to supervise this process, and certify as to its completeness.

Category 4. Former NSC Staff Members.

In accordance with my March 27 memorandum, the professional archivists or the FBI agents reviewed all pre-January 2, 1987 materials contained in all convenience files retired by each of the following individuals:

- a. John M. Poindexter
- b. Robert McFarlane
- c. Alton Keel
- d. Howard Teicher
- e. Oliver North
- f. Robert Earl
- g. Craig Coy
- h. Raymond Burghardt
- i. Constantine Menges
- j. Donald Fortier
- k. Vincent Cannistraro
- l. Kenneth deGraffenreid
- m. Rodney McDaniel
- n. Charles P. Tyson
- o. Robert Kimmitt

In addition, based on inventories of retired records, the professional archivists identified potentially relevant materials from among some 800 boxes, consisting of convenience files retired since 1981 by former NSC staff. All materials contained in any such convenience files retired by former National Security Advisers, Deputy National Security Advisers, NSC Executive Secretaries, NSC legal counsel, and staff members of the NSC's Directorates for the Middle East, Latin America, and Political/Military Affairs were reviewed as potentially relevant.

Category 5. PROFS.

Pursuant to our instructions, the White House Communications Agency printed out computer-generated notes, memoranda, telephone logs and calendars, if any, for thirty-six current and former NSC staff members and members of the Vice President's staff. This information was stored on the back-up tapes for the NSC's Professional Office System ("PROFS"). Such PROFS notes and memoranda were reviewed by the two specifically cleared FBI agents. The FBI is in the process of reviewing the PROFS-generated calendars and telephone logs for these individuals.

For each of the five categories, the documents were reviewed first by either the FBI or the professional archivists, and then re-checked by the archivists in order to ensure that all documents, or portions thereof, potentially responsive to my March 27 memorandum -- including but not limited to those noted by the FBI -- have been identified for possible production to the Select Committees, as well as to the Independent Counsel. All materials in Oliver North's suite (OEOB 302) were checked and then re-checked by the FBI.

Documents identified as a result of this process were subject to a final review by attorneys in my office for the purpose of verifying the initial relevancy determinations made by the professional archivists or the Special Agents. Any differences with the initial relevancy determinations made by the FBI have been resolved by mutual agreement between my office and the Office of Independent Counsel. In the relatively small number of such cases, we have almost invariably determined to resolve the matter in favor of relevancy, and in all cases the resolution has been amicable.

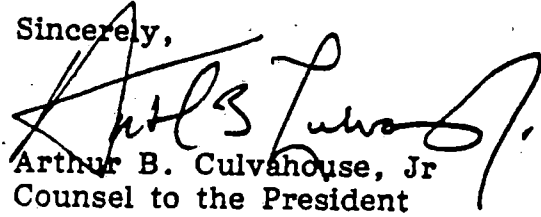
We believe that the process described above is working successfully to ensure that all relevant documents in the custody of the NSC are identified and provided for review by the Select Committees. In order to get the job done, my office has relied on approximately ten professional archivists, eight support staff, and three full-time lawyers, in addition to Ms. Reger of the NSC. They have worked long hours, often seven days a week; we estimate that, since the beginning of March, well over 10,000 worker-hours have been expended so far for the exclusive purpose of complying with document requests in this investigation. As a result of these efforts, we anticipate completing our production of responsive materials within the next two or three weeks.

The production process would already have been completed if we had not, at the request of the Select Committees, made the declassification of documents previously produced our most urgent priority. As the Select Committees' staff was advised, the declassification process necessarily occupies significant human resources that otherwise are involved in the production process. We have declassified, under very tight deadlines, over 1,000 documents submitted to us by the Select Committees for use as potential exhibits during the hearings.

In accordance with the President's pledge to cooperate with the Congressional investigations, we have undertaken this extensive document production process, the result of which has been to provide the Select Committees with unprecedented access to what now totals approximately 150,000 pages of highly classified, sensitive national security documents within the control of the Executive Branch. I am confident that this procedure has been conducted pursuant to the highest professional standards and procedures. We believe that our document production has been, and continues to be, in thorough and

full compliance with the President's pledge of cooperation, and that we have given and are continuing to give our best efforts to fulfill the document requests submitted by Congress.

Sincerely,



Arthur B. Culvahouse, Jr
Counsel to the President

The Honorable Warren B. Rudman
Vice Chairman
Select Committee on Secret Military
Assistance to Iran and the
Nicaraguan Opposition
United States Senate
Washington, D.C. 20510

cc: The Honorable Daniel K. Inouye
The Honorable Lee H. Hamilton
The Honorable Dick Cheney

THE WHITE HOUSE

WASHINGTON

June 9, 1987

Dear Chairman Inouye and Vice Chairman Rudman:

In response to our June 4 meeting regarding the files of Lt. Col. Oliver L. North previously located in his former office at the National Security Council ("NSC"), Old Executive Office Building Suite 302, we are today providing the House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition (the "Select Committees") with an inventory of the files located and secured in Suite 302 following the Attorney General's press conference on November 25, 1986. These files were searched by F.B.I. agents assigned to the investigation assumed by Independent Counsel Lawrence Walsh. The inventory also lists the files in Suite 302 pertaining to Robert Earl and Craig Coy that were searched by the F.B.I. The file inventory is classified at the SECRET level.

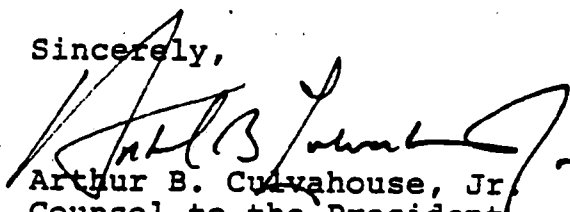
To date, the White House and NSC have made available to the Select Committees what we regard as unprecedented access to approximately three thousand highly classified documents from Suite 302. These materials were reviewed and identified as relevant by six F.B.I. agents who conducted an initial search that lasted over six weeks. In recognition of the special relevancy of Oliver North's files to an on-going law enforcement investigation, and in order to expedite that investigation, we granted these F.B.I. agents assigned to Judge Walsh's investigation complete access to all of the materials in Suite 302. We believe that such access to all Suite 302 files, whether or not relevant to the investigation, extends far beyond that which would have been available through compulsory process. Nonetheless, we authorized the F.B.I. to search these materials repeatedly. In accordance with the President's pledge to cooperate with Congress, all of the relevant documents identified by the F.B.I. have been made available to the Select Committees.

Unclassified with SECRET Attachment

We similarly are providing the enclosed file inventory in order to facilitate the Select Committees' inquiry. We are prepared to instruct our professional archivists to conduct an additional search of the files for which the Select Committees indicate that a further review would be highly desirable. If the Select Committees desire a further search, please identify any such files on the enclosed inventory and provide us with any more detailed search criteria that would assist the professional archivists in locating any particular relevant materials sought by the Select Committees. Please bear in mind that any extensive new searches requested by the Select Committees may require a reallocation of resources from our ongoing production and declassification efforts.

Under the process described above, the Select Committees would identify the files to be reviewed as well as any special search criteria to be applied. We would rely on appropriately cleared professional archivists detailed to the White House Counsel's Office by the National Archives to conduct any such further searches. We are confident the suggested approach should satisfy the Select Committees that Oliver North's materials have been subjected to a thorough and fully informed review. In addition, this arrangement provides the best safeguards to maintain the confidentiality of extremely sensitive national security information unrelated to the Select Committees' investigation and is consistent with the fundamental separation of powers principles.

Sincerely,


 Arthur B. Culvahouse, Jr.
 Counsel to the President

The Honorable Daniel K. Inouye
 Chairman
 The Honorable Warren B. Rudman
 Vice Chairman
 Select Committee on Secret Military
 Assistance to Iran and the
 Nicaraguan Opposition
 United States Senate
 Washington, D.C. 20510

cc: The Honorable Lee H. Hamilton
 The Honorable Dick Cheney

THE WHITE HOUSE

WASHINGTON

April 20, 1989

MEMORANDUM FOR JOHN G. SUNUNU
BRENT SCOWCROFT

FROM:

C. BOYDEN GRAY *cmh*

SUBJECT:

Draft Letter Responding to Majority Leader
Mitchell and Chairman Hamilton Letters Concerning
Iran/Contra Documents

I propose to send the attached letter to the above parties this
afternoon. Let me know if you have any comments or questions.

To

*the rep. atg
who was in
charge of*

*Immed. upon receiving your letter
we have contacted AB and he
assumes us that there is no ba-
he would be willing to
discuss the process and event
and.*

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Memo	Memo to the File from "WBR" and "TP" Re: Preliminary Analysis of February 1985 Honduras Aid Memos (4 pp.)	04/26/89	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Issues Files
WHORM Cat.:
File Location: Honduras (1989)

Document Declassified
(Document Follows)
 By JP (NLGB) on 11/23/98

Date Closed: 1/1/1998	OA/ID Number: 29160-008
FOIA/SYS Case #: 1998-0004-F[1]	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #: 98-0004-F/1	MR Case #:
AR Disposition: Released in Full	MR Disposition:
AR Disposition Date: 11/23/1998	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

(b)(1) National security classified information [(b)(1) of the FOIA]
 (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
 (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
 (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
 (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
 (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
 (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
 (b)(9) Release would disclose geological or geophysical information

TO: The File

FR: WBR and TP

DATE: 4/26/89

RE: Preliminary Analysis, February, 1985 Honduras Aid Memos:

Conclusion:

Drawing conclusions from a paper record without talking to anyone is always a difficult situation. However, from the memos released at the North trial, it appears that North proposed enhanced aid to Honduras in exchange for a commitment from them to continue supporting the Contras. Under North's proposal, the aid would be enhanced with a follow-up visit from an emissary to verbally deliver the conditions on which the enhanced aid was being provided.

The State Department objected to both the direct linkage and the emissary. They believed that direct linkage was inappropriate and unnecessary and that Negroponte was capable of handling the situation.

State clearly won this fight with McFarlane at least as of 2/19, since North was complaining about the turn of events on 2/20.

Some people have drawn the conclusion from Poindexter's note on North's 2/20 memo that Bush was the proposed emissary. That is not clear. As of 2/20, there was no emissary according to North's memo and it does not seem likely that NSC could move the Administration from no emissary to Bush as emissary that quickly. It may well be that Bush's trip to Latin America was already scheduled at that point. It certainly would be worth checking.

Finally, Negroponte, who attended the Bush-Suazos meeting, has stated that there was no linkage or "quid-pro-quo" mentioned at that meeting.

Description of Memos:

Pre-February events:

U.S. support for the Contras is terminated with the enactment of Boland II on 10/12/84. In January, the Nicaraguan government moves a number of troops near the Honduran border area where the Contras are operating. There are some border skirmishes and Honduras is getting nervous about their role in the Nicaraguan rebellion. McFarlane visits Honduras in late January to reassure the Honduran government and to encourage them to continue to support the Contras. It is not clear whether the Hondurans agreed to do so at that time.

2

2/7:

Central Policy Planning Group (CPPG) meets and discusses the Honduras situation. NSC, State, DOD, CIA, and JCS are represented. According to subsequent memos, the participants agree to encourage the Hondurans to continue their support for the Contras by increasing U.S. support for Honduras. The proposed increases are (1) to partially release \$175 million in economic assistance (which was being withheld pending Honduran economic reforms), (2) to speed up delivery of U.S. security assistance, and (3) to enhance CIA support.

2/8:

Nicholas Platt, Executive Secretary for State, sends McFarlane a draft Reagan to Suazos letter to accompany the enhanced support. This draft makes no mention of the Contras. Platt, in his cover memo, states that this is "as agreed upon the February 7 CPPG meeting" and proposes that the letter be sent "telegraphically to President Suazo via our Embassy ... with the signed original to follow."

2/11:

North and Raymond Burghardt sent McFarlane a memo entitled "Approach to the Hondurans regarding the Nicaraguan resistance." It includes a proposed memo from McFarlane to Shultz, Weinberger, and Casey on this subject.

North also includes a new draft of the Reagan-Suazos letter which inserts a reference to continued support for "those who struggle for freedom and democracy," but which does not mention the Contras specifically. (This becomes the final version.) North's memo indicates that State's 2/8 draft was a rewrite of a draft which may have actually mentioned the Contras.

The memo goes on to describe the proposed increased assistance and concludes with: "The CPPG was in agreement that transmission should be closely followed by the visit of an emissary who will verbally brief the 'conditions' attached to the expedited support. For obvious reasons, we would not wish to include this detail in any written correspondence. It should be noted that on the last trip (January 30-31), the Hondurans agreed to -- and implemented -- four out of five requests regarding the resistance."

2/12:

McFarlane apparently sends the memo to Shultz, etc.; in any event, he signed it. The memo justifies the aid as a response to the "significant military build-up on the Honduran-Nicaraguan border".

It also says that "the CPPG recommended that the [assistance] should be offered privately as an incentive to the Hondurans for their continued support to [the Contras]. Obviously, this part of the message should not be contained in a written document, but rather delivered verbally by a discreet emissary."

The memo concludes with: "If you agree, we will have the attached letter signed by the President and prepared for delivery via the Ambassador. Our emissary would then proceed to Tegucigalpa for a follow-on discussion with the Hondurans regarding our expectations along the border."

2/14:

Platt sends McFarlane proposed talking points to be used by the Ambassador when delivering the message to Suazos regarding the increased U.S. assistance. The talking points barely mention the Contras and there is no tie between the Contras and U.S. assistance.

2/15:

North and Burghardt send a second memo to McFarlane. It reviews the proposal and goes on as follows: "State Department interposed no objection to this procedure at the CPPG. However, since then ARA has clearly indicated that they do not desire to have an emissary, there is no need to explain 'conditionality,' and that the expedited release of any ESF is 'probably too hard.' North proceeds to recommend the CPPG endorsed approach.

2/19:

McFarlane sends Reagan a memo. (It is prepared by North and Burghardt.) It says that the CPPG "agreed we should make an approach to the Hondurans which emphasizes our commitment to their sovereignty and provides incentives for them to persist in aiding the freedom fighters."

McFarlane's memo goes on to recommend that Reagan sign the aforementioned letter to Suazos, notes that the Hondurans are not planning to withdraw support to the Contras (at least for now), and concludes with the following: The CPPG agreed that an emissary should again proceed to Honduras carrying the signed copy of your letter and, in a second meeting, very privately explain our criteria for the [assistance]."

Reagan initials the box authorizing McFarlane to proceed and signs the letter.

2/20:

Third North-Burghardt memo to McFarlane. This memo criticizes the decision to have Ambassador Negroponte deliver the message and to proceed without an emissary. Among other things,

the memo notes that "to date, all Administration officials have been able to state to the Congress that we have not approached any other government to support the resistance" and, once the cable is sent, "we will no longer be able to make such a claim."

The memo notes that Negroponte could be questioned about whether such overtures were made after enactment of Boland II and that, "notwithstanding our own interpretations, it is very clear from the colloquy during the debate on the C.R. that the legislative intent was to deny any direct or indirect support for military/paramilitary operations in Nicaragua." (emphasis in original).

Attached to the memo is a rewrite of the talking points. As proposed by North and/or Burghardt, they would say that the U.S. assistance is being provided to show our appreciation for the Honduran support for the Contras.

2/20 (?) - Response to above memo:

The ultimate response to the third North-Burghardt memo came from Poindexter, who draws a line through their proposed talking points and adds the following message: Go back to the State's original talking points. Add that we want the VP to also discuss this matter with Suazo.

It appears, however, that Poindexter may have agreed with North at least partially and first run the matter by McFarlane. At the back of the package, there is a note by Poindexter as follows: "I think it is OK for Amb. to deliver msg. but we need additional TP's [talking points] to make conditionality."

8/86
10
Chairman Fascell: If the Senate wishes to recede, we will be ready to move.

Senator Biden: Why don't we recede?

Chairman Lugar: Mr. Chairman, let me ask is this the last of these sort of items? I really say that in all seriousness, because they are flying in now and I really do not know what to contemplate next. We will recede, if you will assure us that this is it.

Chairman Fascell: Senator, I was following the list and somebody put a hold on this at the beginning of the meeting; that is all I can tell you.

Senator Mathias: Could we on this one have report language that we are receding because the President has waiver authority which would accomplish the purpose that is needed to be done, and that we will look at the issue, that both Committees will look at the issue in the course of the next few months?

Chairman Fascell: That is a restatement of the present law, Howard.

Representative Wolpe: There was one part of that that I did not quite hear, Senator. Not necessarily assuming that that authority would be exercised, but that he does have it?

Senator Mathias: But that he has it and therefore we do not see the need for this.

Representative Wolpe: That is fine.

1 Chairman Fascell: All right. Without objection.

2 Because of our agreement on the Philippines, we have a
3 technical amendment -- I feel it is purely technical --
4 having to do with the question of authorizing 30-year terms
5 and in the House language we had excepted the Philippines.
6 And, of course, now that they have and the Senate had
7 receded, but because we had given the Philippines FMS there
8 is no reason to except the Philippines.

9 In other words, this is a matter where the Senate had
10 already receded. This authorizes 30-year terms for FMS
11 market rate loans for those countries, except the
12 Philippines. Now that we have given the Philippines FMS, we
13 ought to take the exception out.

14 Am I correct, staff?

15 Mr. Boyer: Yes.

16 Representative Solomon: Yes, you are correct. We are
17 all in agreement.

18 Chairman Fascell: All right. Without objection, then,
19 that will be done.

20 Can we go to the final item?

21 Representative Gilman: I think we need some
22 clarification language on page 156, Mr. Chairman, on
23 prohibitions relating to military or paramilitary operations
24 in Nicaragua.

25 Chairman Fascell: Is this page 156?

1 Representative Gilman: It is page 156 in the
2 side-by-side.

3 Mr. Chairman, there is some vague language here that
4 would restrict any agreement with any other country that may
5 be providing equipment to other people, and we think we need
6 some clarifying language, and I think Senator Lugar has some
7 clarifying language with regard to that item.

8 Senator Pell: I think the language itself is pretty
9 simple. The way it reads and what it says is that no aid
10 dollars will be given to the contras, except for humanitarian
11 reasons, unless authorized specifically by the bill, and it
12 prohibits the Administration from entering into agreements
13 with other nations, with those governments that provide any
14 kind of aid to the contras themselves.

15 Representative Gilman: I think the question arises as to
16 whether or not this would restrict our giving aid to another
17 nation that may be giving some aid to the contras.

18 Senator Pell: No. Only if it is part of the requirement
19 that they do that. If they do it spontaneously, that is
20 another matter.

21 Representative Lagomarsino: But the point is it can be
22 interpreted in that way, so we are trying to see if we can
23 clarify the language.

24 Chairman Lugar: If the words "in return for" were added
25 after "provide" in line 26, that would probably be

1 clarified? Let me repeat. This is on line 26 of the Pell
2 Amendment. If you put "shall provide in return for
3 assistance".

4 Representative Gilman: I think that would help to
5 clarify it.

6 Senator Pell: But I would like to see the language stand
7 as it is.

8 Representative Barnes: The House already receded to the
9 Senate on this language earlier today.

10 Representative Hyde: But now it is murky.

Minority Staff
Director.
11 Mr. Christianson: I am Jerry Christianson, the Minority
12 Staff Director. Let me say that this arose from the period
13 when there were lots of reports that the Administration may
14 be seeking other countries to provide assistance to the
15 contras, whether it was Taiwan, South Africa, whatever. And
16 all of those countries happened to be either recipients of
17 U.S. military aid or the purchasers of military equipment.
18 So this was aimed at preventing the Administration from
19 entering into agreements. It has no affect on a foreign
20 government; it only prevents the Administration from going to
21 a foreign government and entering into an agreement whereby
22 that government agrees to aid the contras.

23 So in this case, for example, it would not prohibit a
24 country such as Honduras from doing it on its own, if it
25 wanted to. The only thing it prohibits is the Administration

1 from going to Honduras and entering into an agreement whereby
2 Honduras provides assistance to the contras. That is all.

3 Senator Biden: Fungibility. Worry about fungibility.

4 Representative Gilman: We are just trying to clarify
5 that provision so we would not run into some questions later
6 on in the event we had a situation such as that.

7 Chairman Fascell: You know, it seems very clear to me it
8 does not prevent aid to a country if the country does it on
9 its own. It just say no agreement can be made by the United
10 States, no understanding can be made by the United States.
11 We do not presume to tell another country what to do on its
12 own.

13 Representative Hyde: May I ask what is the difference
14 between an agreement and an understanding?

15 Chairman Fascell: The same thing as there is between an
16 executive agreement and a treaty.

17 Representative Hyde: Oh.

18 [Laughter.]

19 Mr. Christianson: Or whether you write down and have a
20 formal exchange of notes between two governments, or the
21 Ambassador takes the foreign minister aside and says hey,
22 this is the deal.

23 Representative Hyde: I was just wondering. You know, a
24 casual discussion between not even heads of state or
25 officials of two countries.

1 Mr. Christianson: It does cover informal agreements.

2 Representative Hyde: Well, not an agreement, but just

3 "by the way, we are going to give something to the contras."

4 I think that is the concern, that it might be violative of
5 that. And if we said "in return for", if there were a quid
6 pro quo --

7 ~~Mr. Christianson:~~ But that establishes another test. In
8 other words, in addition to having an agreement, then that
9 agreement would also have to have the quid pro quo. That

10 takes it one more step; whereas there could be many cases
11 where an Administration may go to a country and say, "we want
12 to enter into an agreement. Now you are not mentioning any
13 quid pro quo; it is certainly implied and the recipient of
14 that invitation could be very intimidated.

15 But it is not explicit there, so we would not be covered
16 by adding that language, and that is the problem.

17 Representative Lagomarsino: Do you mean under this
18 language we could not ask Great Britain, who is a purchaser
19 of our arms, we could not even discuss their furnishing aid
20 to the contras?

21 Mr. Christianson: We could not enter into an agreement
22 whereby they provide assistance to the contras.

23 Representative Hyde: But we could talk about it, and
24 they could talk about it, as long as there was not an
25 agreement or understanding?

1 Mr. Christianson: If they want to do it on their own,
2 they could do it.

3 Representative Hyde: Do you see the problem with this
4 language, then?

5 Mr. Christianson: But that is basically what it was
6 intended to prevent -- that is, the United States finding
7 another country.

8 Representative Hyde: To lean on?

9 Mr. Christianson: Yes, to lean on, or to do the work
10 that it could not do for itself, that it was restricted by
11 Congress from doing on its own.

12 Chairman Fascell: But "understanding", either formal or
13 informal, has pretty much of a diplomatic definition. I am
14 not sure that conversation is covered. I think an exchange
15 of letters would be. An exchange of notes would do it. But
16 to answer your question, Mr. Hyde, I don't think if they got
17 on the telephone that this could cover it, as long as they
18 did not reach an understanding.

19 Representative Hyde: We could have a little colloquy on
20 this, maybe on the floor.

21 Chairman Fascell: I do not know that I am the person to
22 have the colloquy with, but I am suggesting the possibility.
23 Let us go --

24 Representative Gilman: Mr. Chairman, excuse me. This is
25 a pretty serious matter.

1 Chairman Fascell: The House has already ceded, Mr.
2 Gilman. It is a question of whether the Senate wants to do
3 something.

4 Representative Gilman: But we will have a further
5 problem developing at a later date and it apparently is a
6 serious issue.

7 Chairman Fascell: With whom?

8 Representative Gilman: With the Administration.

9 Chairman Fascell: Well, man, they sure waited around a
10 long time to get to you.

11 Representative Gilman: Now that may be true.

12 [Laughter.]

13 Chairman Fascell: All right. Go ahead, Ben. I do not
14 want to cut you off.

15 Representative Gilman: Well, what we are trying to do is
16 to avoid a problem a little later on, because it is a serious
17 concern of the Administration, of having to deal with other
18 nations that may be in a position of helping some of the
19 other countries. If we can just develop some language that
20 would restrict that. I thought that "in return for" sounded
21 like a good way of conditioning it.

22 Senator Pell: Well, why could we not have such a
23 statement in the manager's report that would enlarge on the
24 things that could not be done under this provision? I think
25 the staff could work out something that could go in the

1 report language.

2 Representative Barnes: That is the logical answer. It
3 would clarify what is intended.

4 Chairman Fascell: That is all you need, Ben. Let us get
5 along with this.

6 The Senator is a gentleman and a scholar.

7 Representative Solomon: It sounds good to me.

8 Chairman Fascell: All right. Let us proceed to the
9 final item, which is the one that we put over.

10 Senator Biden: Oh, my gosh, Mr. Chairman, your nose is
11 growing. You said 500 items ago that this was the final
12 item.

13 Chairman Fascell: I just want to assure you, Senator,
14 that my nose has been the same size all my life, and it is
15 damn big.

16 [Laughter.]
17
18
19
20
21
22
23
24
25

Monday, May 1, 1989 -- C-7

put it in
Broder: Has he given you an explanation of what he was doing in Honduras?

Chief of Staff Sununu: He has made it very clear that what he went down was to provide the confirmation of assistance to the Hondurans. The Hondurans were very concerned with what was going on. The cable from ambassador Negro Ponte, which is a very detailed explanation of what went on down there, makes that clear and to the point, and makes that very obvious that there was no quid pro quo.

Broder: Has the President told you personally that there was no quid pro quo?

Chief of Staff Sununu: Yes he has.

Broder: And he's ready to stand on that?

Chief of Staff Sununu: Yes he is. And he feels very strongly that when all the material is put forward that that supports exactly that position. And I don't think there's any question that that material supports that position.

Broder: ...Do you believe, having looked at a lot of budgets, that that agreement is going to produce a deficit for the coming fiscal year of under the Gramm-Rudman target of \$100 billion?

Chief of Staff Sununu: I think if we enact it quickly enough to get the reaction in the markets that is part of what is anticipated, the answer is yes....

Cochran: Would you accept a gasoline tax in return for the capital gains tax?

Chief of Staff Sununu: You don't need it in this budget, and that's the whole point. The critics of this budget are upset that this budget has come forward without a tax, and those who have tried to criticize this budget say without a tax it is not a complete budget. And yet this budget addresses the priorities the President set out. It does not have a tax in it, and it reduces the deficit from last year's level of \$165 to \$175 billion to...\$90 to \$99 billion. That's a \$65 to \$75 billion reduction, and that's a very significant reduction.

Utley: ...Some say President Bush didn't like the [FSX] deal, but he had to go along with it because we were committed to the Japanese.... Fair comment?

Chief of Staff Sununu: What was not good about the deal was the ambiguities in the agreement. And what the President insisted on was clear, unambiguous language in some very specific areas....

Broder: ...The toughest criticism of the President at this 100-day mark seems to be coming from conservative Republicans.... Do they have any case at all against this President?

Chief of Staff Sununu: ...[President Bush] has fought to get the defense level to a point where it does not gut the capacity of this country to defend itself, and I think he deserves credit from everyone, including the conservatives.

###

Monday, May 1, 1989 -- C-11

On the Supreme Court abortion hearing:

Drew: ...What it is is the Reagan Administration and the Bush Administration have said, while you're at it, please overturn Roe v. Wade -- a question that doesn't necessarily have to be before the court. But it's there for various reasons, not all of them marvelous. From what I can tell of the court arguments and questions was that the whole question of privacy turned out to be a little bit more complicated than people had been talking about it as, including some of the questions by Justice O'Connor. If you don't have a privacy right on this, why do you have a privacy right on contraception, which has existed for a very long time? And I think may be something on which this whole thing may fall.

Peterson: Does all of that activity outside the court ever have any impact on the justices?

Oliphant: I'm absolutely positive it does.... One of the things I hear is that there have been a lot of requests to the states for information about this situation out in the country, and I think it reflects a concern about the possible disruptive impact of reversing almost a generation of constitutional law.

On who's taking care of the White House with the President and Vice President going away on trips:

Sidey: It reminds me of that story...that we ruined the presidency when we gave that fellow a jet. The problems pile up at the White House and he leaves. He leaves town, and looks down and he thinks he can manage the world. Looks so nice from up there. And Pete then said we ought to take it away from him and make him fly Piedmont.

Drew: Not only the President is gone, but increasingly it seems like the whole White House is gone. Mr. Sununu never leaves his side, and he is the man that is supposed to be running the White House. A number of the staff members go. It wasn't clear what the point of the President's travels this week was. He talked about a lot of different subjects, only fitfully got on the air, and the main time he got on the air was when he visited Ronald Reagan.

Oliphant: The lesson of the first 100 days: Maybe we don't need a President. [laughter]

Sidey: If any of you have been out in Anaheim and watched what happens when a President lands in that place -- he gets an hour on local news, then the local papers play him up. I think George Bush is discovering something that he found in the last campaign: Washington and New York are quite different. Go out there. You'll get your support.

Drew: It's not clear how much support he gets, though, if you don't have anything much to say. Yes, it does get you a local splash on television, but then it's gone.

Sidey: I think what George Bush is saying, very low-key, very work-a-day, is pretty good.

THE WHITE HOUSE

WASHINGTON

April 25, 1989

Dear Chairman Mitchell:

We are in receipt of your recent letter, which raised certain questions regarding the production of documents in connection with the work of the (Committee).

As you know, this Administration was not party to the arrangements made to assist the Committee in its work. Based on our examination of such arrangements, however, it appears that they were extensive, responsive to the Committee's legitimate needs and requests, and fully in keeping with a spirit of cooperation between the branches of government.

In order to respond to your specific concerns, we contacted Arthur B. Culvahouse, Jr., who was Counsel to the President for a substantial portion of the relevant period in the last Administration and who had responsibility for document production and access procedures pursuant to agreements worked out by him and his predecessors with your Committees. Mr. Culvahouse indicated to us that the procedures relevant to the documents you refer to were set forth in a series of four letters, copies attached, between the White House and the Committee; a letter from Charles H. Brower to Chairman Hamilton (January 23, 1987), David M. Abshire to Chairman Inouye and Vice Chairman Rudman (February 6, 1987), Arthur B. Culvahouse, Jr. to Chairman Inouye and Senator Rudman (June 9, 1987), and Arthur B. Culvahouse, Jr. to Senator Rudman (June 4, 1987) (copies of these letters were sent to Congressmen Hamilton and Cheney). Mr. Culvahouse indicated his belief that every effort was made to comply with the procedures outlined in the above letters. He has also offered, together with other persons familiar with the document production, to review these matters and informally brief you and anyone you may designate with respect to the specific concerns stated in your letters. As you know, upon expiration of the previous Administration's term of office, all White House documents pertinent to the Committee's concerns reverted to the legal control of the Archivist of the United States pursuant to the Presidential Records Act.

to wit, {

As the President indicated in his remarks last week, we have confidence that the previous Administration followed the procedures agreed upon with the Committee, and that its representatives will be able to respond to any specific questions you may have.

We will, of course, endeavor to be as helpful as we can, and I will be happy to answer any additional questions which may arise.

Sincerely,

C. Boyden Gray
Counsel to the President

cc: The Hon. Arthur B. Culvahouse, Jr.

THE WHITE HOUSE
WASHINGTON

April 25, 1989

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As you know, this Administration was not party to the arrangements made to assist the Committee in its work. ~~Based on our examination of such arrangements, however, it appears that they were extensive, responsive to the Committee's~~

Dear Chairman Mitchell:

After reviewing your letter and the concerns raised therein, we contacted Arthur B. Culvahouse, Jr., who was Counsel to the President for a substantial portion of the relevant period in the the last Administration and who had responsibility for document production and access procedures pursuant to agreements worked out by him and his predecessors with your Committees. ~~He indicated that the procedures relevant to the documents you refer to were set forth in the attached letters from Charles N. Brower to Chairman Hamilton (January 23, 1987), David M. Abshire to Chairman Inouye and Vice Chairman Rudman (February 6, 1987), Arthur B. Culvahouse, Jr. to Chairman Inouye and Senator Rudman (June 9, 1987), and Arthur B. Culvahouse, Jr. to Senator Rudman (June 4, 1987) (copies of these letters were sent to Congressmen Hamilton and Cheney).~~ Mr. Culvahouse indicated his belief that every effort was made to comply with these procedures. He has also offered to review these matters together with other persons familiar with the document production, and informally brief you and anyone you may designate with respect to the specific concerns stated in your letter. As you know, upon expiration of the previous Administration's term of office, all documents in the White House reverted to the legal control of the President. As the President indicated in his remarks last week, we have confidence that the ~~last~~ Administration followed the agreed procedures, and that its representatives will be able to satisfy your concerns.

a series of four letters between the White House and the Committee. Copies of these letters are attached.

outlined in the above letters.

agreed upon with the Committee

Archives of the United States pursuant to the Presidential Records Act.

legitimate needs and requests, and fully in keeping with a spirit of cooperation between the ~~separate~~ branches of government.

As in order to respond to your specific concerns,

- 2 -

We will, of course, endeavor to be as helpful as we can, and
I will be happy to answer any additional questions ^{which} you may
~~have~~ arise.

Sincerely,

C. Boyden Gray
Counsel to the President

The Honorable George J. Mitchell
Majority Leader
United States Senate
Washington, DC 20510

DOCUMENTS, From A1

Inquiry yesterday, the senators said a quick review by staff had determined that one of the documents never provided to the Iran-contra investigation was a copy of a Feb. 19, 1985, memo that contained Reagan's initials approving a plan to provide "incentives" to Honduras in return for Honduran aid to the contras.

The senators also said versions of two other documents provided to the Iran-contra panels by the White House did not contain key information, including a notation that then-Vice President Bush was to get a copy of an April 25, 1985, memo on a phone call Reagan made to Honduran President Roberto Suazo Cordova.

The senators noted that the committees' copy of the April 25, 1985, memo also did not include six lines of handwritten notes by Reagan on his version of the call, which he made in part to get Honduras to release arms intended for the contras that had been seized by the Honduran military.

In another instance, the senators said a Feb. 11, 1985, memo to then-national security adviser Robert C. McFarlane on a proposal concerning "conditions" for expedited U.S. aid to Honduras also was lacking key information. They said the committees' copy of that memo does not include a check mark by McFarlane indicating his approval of the proposal, which was part of the plan to give Honduras "incentives" for assisting the contras at a time U.S. military aid to the rebels was banned.

Mitchell, Inouye and Rudman urged the intelligence committee to interview "all relevant participants" involved in providing the documents to the congressional panels and to place them "under oath if necessary." They sent their letter to Sen. David L. Boren (D-Okla.) and Sen. William S. Cohen (R-Maine), the chairman and vice chairman of the intelligence panel.

A source close to the Bush White House said yesterday that the Culvahouse inquiry is expected to be completed in "a matter of days" and that Bush aides already have concluded that all the documents cited by the senators were missed by FBI agents in a search of North's offices. The source said that the six documents that turned up at North's trial were only discovered after North's attorneys received court approval to review about 80 boxes of files found in North's offices long after the congressional investigation was completed.

Both the FBI and the chief counsel for the House Iran-contra committee, John W. Nields Jr., said last week that the FBI's search of North files was conducted for independent counsel Lawrence E. Walsh, and that the White House, not the bureau, was responsible for complying with congressional requests for Iran-contra documents.

The three senators' letter yesterday introduced a new element into this dispute by revealing that some of the documents that the White House did provide to Congress came in a less-complete form than those released at the North trial.

In a related matter, Rep. David R.

Obey (D-Wis.), chairman of the House Appropriations subcommittee on foreign operations, yesterday questioned the accuracy of testimony Tuesday before his panel by Michael G. Kozak, a senior State Department official, who denied any link between a 1985 decision to increase U.S. aid to Honduras and that country's support of the contras.

Kozak said that a document introduced in the North trial that outlined the plan to reward Honduras was distorted and incomplete and that the State Department had succeeded in killing any "quid pro quo" with Honduras "because that was contrary to U.S. policy." Kozak confined his statement to the 42-page document, which was a summary of information contained in dozens of classified documents. The information in the summary was agreed to by prosecutors for Walsh and introduced by North's attorneys.

Obey said in an interview yesterday that at the time of Tuesday's hearing he had not obtained dozens of White House documents released at the trial, some of which were used as the basis for the 42-page summary.

He said that after reading the actual White House documents he decided to send his letter to Kozak because "I find it hard to believe that [the quid pro quo] plan was in fact dropped due to State Department objections.

"In fact," Obey's letter said, "it appears that one can reasonably conclude that the only objection interposed by the State Department was that there was no need to expressly explain the linkage because it was already understood."

The group further agreed that our commitment to their sovereignty should be included in a letter from you to President Suazo and that your letter should also address the matter of the resistance in very general terms. This letter is attached at Tab A. With your approval this letter will be telegraphically transmitted to our Ambassador for delivery to President Suazo.

Following my recent trip to the region, one of my staff had very private meeting with a number of those who are very close to Suazo. This meeting apparently resulted in the Hondurans reversing their stated intention to withdraw support from the freedom fighters and force them back into Nicaragua--many of whom would have been without arms or equipment. The CIA agreed that an emissary should again proceed to Honduras carrying the signed copy of your letter and, in a second meeting, very privately explain our criteria for the expedited economic support, security assistance, and enhanced CIA support.

Recommendations

SE _____

1. That you sign the letter at Tab A and approve its telegraphic transmission.
2. That you authorize us to proceed as outlined above.

Prepared by:
 Oliver L. North
 Raymond F. Surquardt

Attachment
 Tab A - Letter to President Suazo

ALUOIG:J::

SECRET

SECRET

SECRET

Following my recent trip to the region, one of my staff had very private meeting with a number of those who are very close to Suazo. This meeting apparently resulted in the Hondurans reversing their stated intention to withdraw support from the freedom fighters and force them back into Nicaragua--many of whom would have been without arms or equipment. The CIA agreed that an emissary should again proceed to Honduras carrying the signed copy of your letter and, in a second meeting, very privately explain our criteria for the expedited economic support, security assistance, and enhanced CIA support.

Recommendations

SE _____

1. That you sign the letter at Tab A and approve its telegraphic transmission.
2. That you authorize us to proceed as outlined above.

Prepared by:
 Oliver L. North
 Raymond F. Surquardt

Attachment
 Tab A - Letter to President Suazo

SECRET

SECRET

ALUOIG:J::

Here are two versions of the same document. The Iran-contra committees did not receive the lower version, which included Ronald Reagan's initials.

THE WHITE HOUSE
WASHINGTON

DATE: 5-6-89

FROM THE PRESIDENT

To: Fred McClure

cc: John Sununu

Fred:

Please be sure that Lee Hamilton
and George Mitchell have seen this letter
to the Editor.

I have no objection if they are told that
the President personally hopes you will read this.

GB

goals.

...of a
...unequivocally
...when the PLO
...as will have lost the
...as a reason for not
...hold on to the West
...in word and deed, is
...exactionism. The PLO
...If it were smart, not
...t-day protestations, it
...nd, unequivocally, the
...arter and put Israel on
...land.

...If you have been reading the newspa-
pers in the past few weeks, you have
learned "the fact" that Vice President
George Bush went to Honduras in 1985
as a "special emissary" on a "secret mis-
sion" to solicit—illegally—Honduran sup-
port for the Nicaraguan contras as a quid
pro quo for U.S. economic aid for Hondu-
ras.

I accompanied the vice president on
that trip and was with him during all his
meetings with Honduran President Suazo
and other leaders. I was involved in the
preparation of the presidential letters and
oral communications conveyed to Presi-
dent Suazo before that trip. I know what
happened in Honduras, and I'm amazed at
the quantum leap from what happened to
what is being reported today.

1. There was nothing "secret" about
the trip; it had been planned for months.
Honduras was the third and last Latin
American stop after Grenada and Brazil.
The public records back this up.

2. There was no quid pro quo, not in
Spanish, English or Latin. Vice President
Bush and President Suazo talked together
for about an hour, which really means a
half hour with translations. There were
about six U.S. government officials with
the vice president, and one or more of
them was in earshot the whole time and
conducting the necessary translations.

The Bush-Suazo conversation was faith-
fully reported in a detailed memorandum
filed shortly after the trip, and that mem-
orandum is in the possession of the Sen-
ate Foreign Relations Committee. Here's
the essence:

The vice president did what he was
good at: he listened sympathetically to
the concerns of President Suazo, then he
put forward U.S. views and concerns.

President Suazo's understandable con-
cerns centered on a heavily militarized

Under such circumstances, it is incom-
prehensible that the reasons for an im-
pending human tragedy are put at the
door of the Ethiopian government. This is
a baseless allegation as well as a disser-
vice to the joint humanitarian effort being
waged to save lives in southern Sudan.

GIRMA AMARE
Charge d'Affaires, Embassy of Ethiopia
Washington

I Was With George Bush in Honduras

Nicaraguan neighbor, the presence of
armed contras in Honduras (which he
couldn't admit publicly at the time) who
had lost their U.S. financial support and
the generally sad state of the Honduran
economy.

The vice president sympathized, re-
ported on the release of the fiscal year
'84 congressionally approved foreign mil-
itary and economic assistance (which
President Suazo already knew) and reas-
serted that if Honduras were attacked,
the United States, under the Rio Treaty,
would come to its assistance. President
Suazo used much of the meeting on a—
in this context—separate issue dealing with
a (we thought) dormant Honduran/Salva-
doran border dispute.

The meeting was serious and friendly,
devoid of tension. It was a meeting be-
tween two allies who could speak candidly
and with respect. There was no hidden
agenda.

That's what happened in Honduras.
Two sidebar issues, which have noth-
ing to do with what happened in Hondo-
ras, have confused the issue.

First, there is excitement about a se-
ries of mostly intra-National Security
Council staff memos hyperventilating in
pursuit of improper written and oral com-
munications and "special emissaries"—
communications that were never commu-
nicated and emissaries never emitted.
The Reagan-Suazo letter delivered by
Ambassador Negroponte prior to the vice
president's trip is available to the proper
committees and reflects the normal,
some say anodyne, communications be-
tween heads of government. It contains
not even a hint of quid pro quo.

Second, there is the issue of whether
the congressional Iran-contra committee
received all the documents it should have
received. I can't speak to that, but in one
form or another, Congress has before it

deducting the cost on
state taxes. Perhaps Mr. C.
persuade Congress to prohibit
from passing along the cost to consumers
as well. Good luck!

TIM KELLY
President of the Senate
SAM COTTEN
Speaker of the House
Alaska State Legislature
Juneau, Alaska

ample documentation about what really
happened in Honduras during the vice
president's trip.

In summary, hyperventilation seems to
be catching. Hyperventilation in the NSC
staff, put in the public record in federal
court, has caused hyperventilation in
newspaper reporting, which in turn has
led to hyperventilation in Congress.

Let me suggest a cure, for columnists,
congressmen and staffers alike: breathe
deeply and slowly, until a calming sense of
reality returns.

LANGHORNE A. MOTLEY
Washington
The writer was assistant secretary of state
for inter-American affairs from 1963 to
1965.

The Washington Post

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THE WHITE HOUSE

WASHINGTON

May 17, 1989

Dear Mr. Walsh:

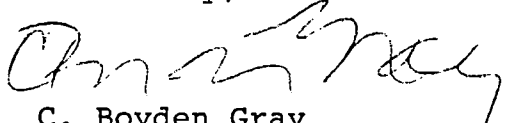
Late yesterday, I received a letter from you dated May 15, 1989, and signed by Christian J. Mixter of your staff. That letter demands access once again to certain documents, copies of which are in your possession, that have been the subject of inquiry by the United States Senate Select Committee on Intelligence and the House Permanent Select Committee on Intelligence. Since these are Reagan Presidential records, we have referred your request to the Archivist and he has notified President Reagan's counsel that we intend to make these documents available to you.

The Bush White House, while not responsible for the past Administration's dealings with Congress during the Iran/Contra investigation, has been and will continue to cooperate fully with your office and the committees.

Although the purpose of your request is unclear, we will make the necessary arrangements to make the five documents identified in your letter available to your F.B.I. agents at a time convenient to them. The agents also will be permitted to inspect the files and boxes in which those documents are kept. If you wish access to any other documents or copies of documents, I ask that you specifically identify them as this office does not have the capability to conduct a new search of the files already the subject of an extensive search by the F.B.I. agents assigned to your office.

Additionally there are several assertions in your letter concerning the activities of the Reagan Administration. If you wish to pursue those assertions, I suggest you contact President Reagan's counsel directly.

Sincerely,


C. Boyden Gray
Counsel to the President

Mr. Lawrence E. Walsh
Independent Counsel
555 Thirteenth Street, N.W.
Suite 701 West
Washington, D.C. 20004

OFFICE OF INDEPENDENT COUNSEL
SUITE 701 WEST
555 THIRTEENTH STREET, N.W.
WASHINGTON, D.C. 20004
(202) 383-8940

May 15, 1989

BY HAND

MAY 16 1989

The Honorable C. Boyden Gray
Counsel to the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. Gray:

This will confirm our request, made orally to Mr. Hatch of your office and Mr. Saltzburg of the Department of Justice on several occasions during the past two weeks, that the Office of Independent Counsel be provided with immediate access to five identified documents that are presently in the custody of the National Security Council. Specifically, we request that you furnish for review by agents of the Federal Bureau of Investigation, assigned to this Office, the originals and all copies of these documents, from whatever source obtained, including but not limited to North office materials, NSC staff files, and NSC system files. We request that in each instance, the agents be permitted to examine the files and, if applicable, the boxes in which responsive documents are contained in order to determine whether these documents were among the materials made available for review by this Office prior to the summer of 1988.

The five documents to which access is requested are:

1. System IV memo, number 402000 follow-on, dated February 11, 1985, from Oliver L. North and Raymond F. Burghardt to Robert C. McFarlane re "Approach to the Hondurans regarding the Nicaraguan Resistance. This document bears the White House Bates number 033551.
2. System II memo, number 90166, dated February 19, 1985, from Robert C. McFarlane to the President re "Approach to the Hondurans regarding the Nicaraguan Resistance." This document is initialled and approved by President Reagan. One version,

May 15, 1989
Page 2

produced by the NSC in response to a discovery order entered in United States v. North on July 8, 1988, bears the Bates number 051860.

3. System II memo, number 90166 Add-on, dated February 20, 1985, from Oliver L. North and Raymond F. Burghardt to Robert C. McFarlane re "Presidential Letter to President Suazo of Honduras." One version of this document bears the White House Bates number 080426.
4. System II memo, number 90166 Add-on, dated February 22, 1985, from Raymond F. Burghardt to Robert C. McFarlane re "Presidential Letter to President Suazo of Honduras." This document bears the White House Bates number 039803.
5. System II memo, number 90447, dated April 25, 1985, from Robert C. McFarlane to the President re "Recommended Telephone Call to His Excellency Roberto Suazo Cordova, President of the Republic of Honduras." This document is annotated by President Reagan and bears the White House Bates number 050376.

As you are aware, each of these documents was first produced in executed form as part of the supplemental discovery undertaken in compliance with orders entered in United States v. North in July 1988. Copies of these documents were not received by this Office in either of the two major document reviews that were undertaken in December 1986 - January 1987 or the spring of 1987.

Moreover, in October 1987, this Office served Interrogatories to the President that specifically instructed that copies of documents in the possession, custody, or control of any officer or employee of the Executive Branch that referred or related in any way to the subjects of the interrogatories be annexed to the responses. Although certain of the identified documents are clearly responsive to questions posed in the interrogatories, none of these documents was attached to the responses provided on November 25, 1987.

May 15, 1989
Page 3

In light of the foregoing, we wish to establish the location and availability during the previous document reviews of each of the five documents identified above.

As you may know, during the past two and a half years, this Office and the White House and the other agencies and departments of the Executive Branch have worked on a system of voluntary disclosure and compliance. This procedure was developed with Ambassador Abshire during the early days of our investigation. It was continued by A.B. Culvahouse when he became Counsel to the President. There have been times when both the agencies and this Office have considered going to a more formal procedure. Although we see no present need for this course, we can proceed by subpoena if at any time it is your view that greater formality is desirable.

Sincerely yours,

LAWRENCE E. WALSH
Independent Counsel

By:


Christian J. Mixter
Associate Counsel