MCFARLANE'S STATEMENTS ABOUT HIS CONTACTS WITH PRESIDENT REAGAN During Interview with the Special Review Board, December 11, 1986

(Note: in these conversations, McFarlane said that Don REgan was always there, and often the Vice President.)

July 6 or 7, 1985: McFarlane conveys Kimche conversation of July 3. Before Pres. went into the hospital. Pres. said ok to pursue dialogue(p. 8).

August 6, 1985: Conveyed Kimche conversations to Pres., 2-3 days after it occurred on August 2 in McFarlane's office. Iranians want weapons soon to expand and consolidate "the faction within military elements" (p. 10).

Early August, 1985: NSPG to discuss the Kimche discussions. "Pajama meeting". "Vivid, forceful, thorough expression ov views." Pres. saw need to support the reformists, but inclined not to have 25 U. S. weapons involved. If Israel transfers weapons, we should replenish. Hostages were discussed. It was discussed that people of good will will perceive thas to be a trade of hostages for weapons (p. 14). The President realized that "the risks of misunderstanding are quite high" (p. 14). The President's decision was "no U.S.-owned arms of U.S. transfers; if Israel chooses to do this and ultimately they seek replacements from us they can buy them form us; and yes, finally, we are interested in a political meeting with Iranians." (p. 16) Scowcroft: "What was there in the atmosphere at this time that led the President to think that there was promise in this whole thing? It just doesn't seem to me to fit in very well. Was it at this time in the back of his mind the "I think it was, yes." (p. 52) hostages?" MdFarlane:

McFarlane: "The waiver of notification based upon a determination that it is important to the national interest was part of what the President decided, but it was never reduced to writing." (p. 53)

Second week of Sept., 1985: Kimche called, said expected a release of a hostage. McFalrane passed this on orally to the President, probably in the 9:30 am daily briefing. Also passed to the "family group", at weekly lunch (McFarlane, Shultz, Weinberger, Casey), or by phone to them. Weir released September 15, after the Israelis had sent 508 TOW missiles. "... you would hve to be a fool not to see that, whatever our intentions were, the reality was apparently arms for hostages. And I said so to the President in the morning meeting, and it basically kind of validated what the Secretary of Defense and State had said before, and they expressed their concerns again on that score." (p. 20).

TOP SECRET

Thanksgiving: stayed in California with the President.

Santa Barbara after Thanksgiving: In the Century Plaza Hotel on Sunday, MdFarlane resigned. In the same conversation, he told the President that the effort with the Iranians ". . . seemed to be getting skewed towards arms going that way and hostages coming this way," and ". . . that I thought that we ought to seek a meeting directly with the Iranians and discontinue any kind of sponsorship of arms transfers." (p. 25). The President said get an NSC together, and that he thought McFarlane was right (pp. 25-26).

December 7, 1985: NSC meeting. McFarlane told to go to London and say to Iranians that we remain open to political discourse but "we will not transfer nor encourage any other government to transfer weapons to them." (p. 26)

December 11, 1985: McFarlane reports on London meeting to President, Vice Pres., Weinberger, Poindexter, John McMahon, Regan (Shultz at NATO meeting)

May, 1986: Trip to Tehran. McFarlane gets 4 pp. written instructions from Poindexter, is told the President has approved these. (p. 33)

"In May when Admiral Poindexter was giving me the instructions he said the President is profoundly concerned with the hostage matter and has been since the beginning of this year, and he said the Secretary of State is against it and the Secretary of Defense is, but the President has veen very, very firm and insisted." (p.54)

When events didn't go as planned, and McFarlane recommends calling it off, Poindexter checks with the President, and then says to McFarlane "the President's disappointed and, if that's your recommendation, come on back."

Tuesday after Memorial Day: debriefed the President at the 9:30 am briefing. VP, Pres, Regan, Poindexter. "The President didn't comment, really, . . . " (p. 45).

At this briefing, McFarlane said to the President and Poindexter that Colonel North should "be reassigned back to the Marine Corps. I said, 'he's been here, watever, five years, it's time for him to go back and do other things." (p. 63).

Prepared by Karl Braithwaite 1-26-87