

Ronald Reagan Presidential Library  
Digital Library Collections

---

This is a PDF of a folder from our textual collections.

---

**Collection:** Culvahouse, Arthur B.: Files  
**Folder Title:** Iran/Arms Transaction: Legal  
Memoranda - Nicaraguan Contra Aid [Boland  
Amendment] (3)  
**Box:** CFOA 1131

---

To see more digitized collections visit:

<https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories visit:

<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: [reagan.library@nara.gov](mailto:reagan.library@nara.gov)

Citation Guidelines: <https://reaganlibrary.gov/citing>

National Archives Catalogue: <https://catalog.archives.gov/>

# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** CULVAHOUSE, ARTHUR B.:FILES

**Withdrawer**

DLB 5/15/2014

**File Folder** IRAN/ARMS TRANSACTION: LEGAL MEMORANDA:  
NICARAGUAN CONTRA AID [BOLAND AMENDMENT]  
(3 OF 8)

**FOIA**

S643

**Box Number** CFOA 1131

SYSTEMATIC

154

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
164995	MEMO	VICKI MASTERMAN TO PETER J. WALLISON, RE: CONTRA AID LAWS - PARTIAL	1	1/21/1987	B3
164996	MEMO	VICKI MASTERMAN TO PETER J. WALLISON, RE: CONTRA AID LAWS - APPLICABILITY TO LTC NORTH	1	1/26/1987	B1
164997	MEMO	VICKI MASTERMAN TO PETER J. WALLISON, RE: CONTRA AID LAWS	12	2/24/1987	B1

The above documents were not referred for declassification review at time of processing

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

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- 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 concerning wells [(b)(9) of the FOIA]

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

THE WHITE HOUSE

WASHINGTON

January 14, 1987

MEMORANDUM FOR PETER J. WALLISON

FROM:

VICKI MASTERMAN *VM*

SUBJECT:

Laws Governing Contra Aid

Bob Woodward's article in today's Washington Post describing the congressional authorization of CIA Contra assistance appears accurate. Except for references to a January 9, 1986 Presidential intelligence order and to the specific funding amounts, the article recounts the unclassified descriptions of the classified laws authorizing intelligence agencies to support the Contras with intelligence information, communications equipment, communications training, transportation equipment and necessary infrastructure. Before reading today's article, I had not heard of the existence of the January 9, 1986 Presidential order from the CIA, the NSC or the Vice President's Office, and had not found evidence of such an order in the congressional or press accounts. This morning, George Jameson (Assistant CIA General Counsel) told Dean McGrath that nothing in the classified authorization departs from the Post's account, and offered to provide us with a detailed briefing on the classified authorization.

As I have mentioned in staff meetings, the 1986 Intelligence Authorization Act states that no intelligence agency may obligate or expend funds during fiscal year 1986 to support Contra military or paramilitary operations except as specified in the Act's classified schedule of authorizations or as authorized by other laws. Pub. L. No. 99-169, 1st Sess., § 105, Dec. 4, 1985. The Conference Report to the Act explains the classified schedule of authorizations includes "[c]lassified amounts" for "intelligence agency infrastructure expenditures related to activities such as the provision of information and advice to the Nicaraguan democratic resistance." The Conference Report also states the classified schedule of authorizations includes "a specific classified authorization amount for communications equipment and related training." H. Rept. No. 99-373, 1st Sess., Nov. 15, 1985, p. 15.

The Conference Report also refers back to the 1985 International Security and Development Cooperation Act and the 1985 Supplemental Appropriations Act stating that these laws had authorized intelligence agencies to provide "transportation equipment to the Nicaraguan democratic resistance," yet neither of these two laws explicitly allowed transportation assistance when initially passed. Pub. L. No. 99-83, 1st Sess., Aug. 8, 1985; Pub. L. No. 99-88, 1st Sess., Aug. 15, 1985. These two 1985 laws authorized any agency except CIA or DOD to provide \$27 million in humanitarian assistance defined as: "the provision of food, clothing, medicine, and other humanitarian assistance, and it does not include the provision of weapons, weapons systems, ammunition, or other equipment, vehicles or material which can be used to inflict serious bodily harm or death." In addition to the humanitarian assistance, the 1985 Supplemental Appropriations Act stated that no law "shall be construed to prohibit the United States Government from exchanging information with the Nicaraguan democratic resistance." This intelligence sharing authorization is clarified in the Conference Report to the 1985 International Security and Development Cooperation Act:

Nothing in the provision restricts CIA or DOD from providing to other agencies of the U.S. Government advice, information, or intelligence which would be useful to the implementation of this [humanitarian] assistance. It does proscribe these two agencies from administering the funds and from providing any military training or advice to the democratic resistance. The conference committee discussed, and the Intelligence Committees have clarified, that none of the prohibitions on the provision of military or paramilitary assistance to the democratic resistance prohibits the sharing of intelligence information with the democratic resistance.

H. Rept. No. 99-237, 1st Sess., p. 144. In sum, these two August, 1985 laws authorized intelligence-sharing and humanitarian assistance yet did not, when originally enacted, explicitly authorize providing transportation equipment. The legislative history to the 1986 Intelligence Authorization Act clearly notes, however, that Congress intended these 1985 laws to authorize the provision of transportation equipment to the Contras. H. Rept. No. 99-373, p. 16. Further, Congress did not include transportation in the 1986 authorization because it believed such support was already authorized.

Congress intends that the U.S. government support the Contras only as specifically authorized by law. The support activities listed in this memorandum and in the Post article were congressionally authorized exceptions to the general prohibition on supporting Contra military operations. The following prohibitions on Contra aid were in force during 1985 and 1986:

- The 1985 International Security and Development Cooperation Act prohibited the use of certain foreign aid funds to support the Contras, prohibited entering into the foreign aid agreements conditioning the receipt of aid on the provision of Contra support by the recipient, and prohibited the use of funds authorized by any Act to support the Contras except as authorized by law and as consistent with international treaties;
- The 1985 Supplemental Appropriations Act prohibited the use of the \$27 million in humanitarian assistance for a purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations.
- The 1986 Intelligence Authorization Act prohibited the obligation or expenditure of funds for Contra support except as specifically authorized by the classified schedule of authorizations, the National Security Act of 1947 (section 502), or the 1985 Supplemental Appropriations Act (provision detailing procedures for the Congress to authorize additional aid in the future).

The Conference Report to the 1986 Intelligence Authorization Act states with respect to section 502 of the National Security Act of 1947:

Subsection 502(b) states that no funds may be made available for any intelligence activity for which funds have been denied by the Congress. The conferees have agreed to deny all funding requested by the Administration for the paramilitary covert action program for Nicaragua. This [Conference Report] notes concerning Subsection 502(b) of the National Security Act that a program for which funding has been denied, but which has been restructured in a major way so as to effectively constitute a new program, may become eligible for funding. The conferees emphasize that under Section 502 of the National Security Act, the effect of their authorization action on the Administration's original budget request relating to military or paramilitary operations in Nicaragua is to make approval either of a reprogramming or of a transfer the only way in which funds, materiel, or other assistance beyond what is authorized in . . . the Classified Schedule . . . could be provided by the intelligence agencies to the Nicaraguan democratic resistance during fiscal year 1986 to support military or paramilitary operations in Nicaragua. The CIA Reserve for Contingencies will not, in other words, be available to fund such activity.

H. Rep. No. 99-373, p. 15-16. Thus Congress denied the Administration's funding request for a covert paramilitary

program in support of the Contras, suggested that such a program could go forward only with congressional approval of a reprogramming of funds (shifting funds within an appropriation) or of a transfer of funds (shifting funds among appropriations), and stated that CIA contingency funds are not available to fund such a covert paramilitary program.

Dean and I spoke with Roman Popaduik, Office of the Press Secretary. Mr. Popaduik explained that Mr. Speakes had characterized the Woodward article as an accurate narrative of the congressional authorizations. I told him that Mr. Speakes's description was correct.

# WITHDRAWAL SHEET

Ronald Reagan Library

*Collection Name*

CULVAHOUSE, ARTHUR B.:FILES

*Withdrawer*

DLB 5/15/2014

*File Folder*

IRAN/ARMS TRANSACTION: LEGAL MEMORANDA:  
NICARAGUAN CONTRA AID [BOLAND AMENDMENT] (3 OF  
8)

*FOIA*

S643  
SYSTEMATIC

*Box Number*

CFOA 1131

154

---

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
164995	MEMO  VICKI MASTERMAN TO PETER J. WALLISON, RE: CONTRA AID LAWS - PARTIAL	1	1/21/1987	B3

---

The above documents were not referred for declassification review at time of processing  
Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- 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 concerning wells [(b)(9) of the FOIA]

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

THE WHITE HOUSE

WASHINGTON

January 21, 1987

MEMORANDUM FOR PETER J. WALLISON

FROM:

VICKI MASTERMAN *VM*

SUBJECT:

Contra Aid Laws

Attached for your information is a Detroit News editorial correctly describing the laws governing Contra aid and criticizing Bob Woodward's article in last week's Washington Post. The Detroit News editorial criticizes the Post for begrudgingly acknowledging that Congress authorized certain Contra aid in November 1985.

I have numerous questions regarding the classified annex to the 1986 Intelligence Authorization Act. It appears incomplete. I will meet with [REDACTED] as soon as possible to discuss the law and its applicability to LTC North.

Attachment





Allen H. Neuharth, Chairman  
Robert C. Nelson, Special Assistant to the Chairman  
Lionel Linder, Editor  
Maurice L. Hickey, Publisher  
Louis A. Weil III, President

Gene R. Arehart, General Manager  
Richard J. McClennen, Marketing Director  
Raymond J. Eby, Operations Director  
Robert H. Giles, Executive Editor  
Benjamin J. Burns, Chief Administrative Editor  
Thomas J. Bray, Editorial Page Editor  
Christina Bradford, Managing Editor/News  
James F. Vesely, Managing Editor/Features  
James L. Gatti, Deputy Managing Editor/News  
Jeff Gaydos, Clifford A. Ridley, Rick Sayers,  
Mary L. Swanton, Assistant Managing Editors

## Editorials

### Irangate: An Old Gray Mare?

Over the last few days the national press has finally discovered that this page was the first to report back on Dec. 28: The so-called Boland Amendment of 1982, prohibiting military aid to the contras, is like the old gray mare. She ain't what she used to be — and hasn't been since well before the diversion of funds to the anti-Communist forces of Nicaragua is alleged to have taken place.

On Nov. 14, 1985, Congress approved an Intelligence Authorization Act that substantially undercut the Boland Amendment. The new act authorized the CIA to provide direct intelligence, communications, infrastructure, training, and other forms of nonlethal aid.

While few in Congress paid any attention to this important change, it was clear that the members of the two intelligence committees knew exactly what they were doing. While preserving the appearance of restraining military aid to the contras, they were quietly trying to keep the contras going, so that they couldn't be blamed for "losing" Nicaragua.

In 1984, a flat congressional vote against an aid package to the contras had been quickly followed by a trip to Moscow by Nicaragua's Communist leader, Daniel Ortega. Congress wasn't eager to place itself in such an embarrassing position again. Quietly rewriting the Boland Amendment so that the administration would have lots of fudge-room to provide secret help to the contras allowed Congress to have it both ways.

Not only that, The News has learned that since January 1986, no fewer than 41 members and staff of the Congress, including House Foreign Affairs Chairman Dante Fascell, have been to the Ilopango air base in Honduras to monitor and audit the CIA's operations helping the contras. This is the same airport from which Eugene Hasenfus took off on his fateful mission over Nicaragua. Yet Congress is complaining that it was unaware of what was going on. If that's really the case, why are the taxpayers picking up the tab for all those trips?

In the last week, two other major news organizations have tumbled to the fact that the Boland Amendment had been substantially revised in 1985. The Washington Post's star reporter, Bob Woodward, last Wednesday wrote a front-page article that did its best to make it appear that there was something seriously wrong with "secret" aid to the contras authorized by the president in early 1986. But the article conceded (in the fourth paragraph) that "while secret, the maneuver was legal."

As the influential Post first asserted: "The CIA moved quickly to carry it (the presidential finding) out — since it provided an opportunity to help the contras at a time Congress had prohibited military assistance to them."

By this time the reader is fully convinced that Mr. Reagan and his spooks have been caught red-handed breaking the law yet another time. But in the next paragraph, the Post reversed this premise by admitting that "intelligence and communications aid . . . was explicitly permitted by Congress in legislative compromises made in late 1985." That's a complete reversal of the prior paragraph's statement that "Congress had prohib-

ited military assistance," a statement Mr. Woodward now insists was not in his final revised copy.

The New York Times on Thursday followed up with a much straighter version, though it only appeared well inside the paper. This article, headlined "Contra Aid: Loose Law?" noted that the intelligence act (approved by Congress in 1985 after it had already begun to make inquiries about Oliver North's activities), permitted intelligence and materiel aid to the contras but barred intelligence agencies from "the planning or execution of military or paramilitary operations in Nicaragua."

"Further muddying the waters," said the Times, "the prohibitions . . . applied only to expenditures by the CIA, the Pentagon, or 'any other agency or entity of the United States involved in intelligence activities.' Was the National Security Council covered?" The NSC is where Oliver North and Adm. John Poindexter worked.

In other words, two major newspapers that have been highly critical of the Reagan administration were forced to concede that there may be much less than meets the eye to complaints that the administration violated the "intent" of Congress.

There may still have been violations of specific export control and arms laws, and there are legitimate questions to be raised about where the money from the Iranian arms sales went. But it would appear that the chief political charge is a bit like the old gray mare itself. Supposed violations of the Boland Amendment are the edifice on which talk of another "Watergate" have rested.

In fairness to the media, some of the false assumptions on which they were operating may have come from misunderstandings of the Boland Amendment within the administration itself. The Times, for example, quoted a State Department memo from legal adviser Peter Ohlsen to Assistant Secretary of State Elliott Abrams, incorrectly quoting Section 105 of the Intelligence Act as saying "no funds available to the Central Intelligence Agency . . . may be obligated and expended during fiscal year 1986 to provide funds, materiel, or other assistance to the Nicaraguan resistance to support military or paramilitary operations in Nicaragua" (our emphasis). In fact, the actual wording does not include the word "no."

Nonetheless, there does seem to be a good deal of willful slanting of the story. NBC's James Polk, on last Wednesday's evening broadcast, repeated the Washington Post allegations of "secret" aid without also reporting, as the Post grudgingly had, that it was perfectly legal. Mr. Polk even went to the ludicrous extreme of asking former Democratic Congressman Michael Barnes of Maryland to offer his opinion on this subject. Not surprisingly, he lambasted the administration.

The Iran/contras affair offers ample ground for investigation by Congress, the courts, and the press without the kind of unfair hype that it has been getting. This Boland Amendment episode is a sad reminder that Congress too often is more interested in partisan politics than in "getting at the facts," as it claims. And some in the press seem more interested in a good story than in giving the subjects of their attacks a fair shake.

# WITHDRAWAL SHEET

Ronald Reagan Library

*Collection Name*

CULVAHOUSE, ARTHUR B.:FILES

*Withdrawer*

DLB 5/15/2014

*File Folder*

IRAN/ARMS TRANSACTION: LEGAL MEMORANDA:  
NICARAGUAN CONTRA AID [BOLAND AMENDMENT] (3 OF  
8)

*FOIA*

S643  
SYSTEMATIC

*Box Number*

CFOA 1131

154

---

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
164996	MEMO  VICKI MASTERMAN TO PETER J. WALLISON, RE: CONTRA AID LAWS - APPLICABILITY TO LTC NORTH	1	1/26/1987	B1

---

The above documents were not referred for declassification review at time of processing  
Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- 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 concerning wells [(b)(9) of the FOIA]

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

October 17, 1985      National Endowment of the Preservation of  
Liberty (30)  
Indian Treaty Room  
  
Linas Kojelis  
Pat Buchanan  
Oliver North

January 30, 1986      National Endowment for the Preservation of  
Liberty/American Conservative Trust  
Roosevelt Room  
  
POTUS  
Linas Kojelis  
Linda Chavez  
Oliver North  
Elliott Abrams

March 3, 1986      U.S. Aid to the Democratic Resistance in  
Nicaragua  
Cabinet Room  
  
POTUS  
Linas Kojelis  
Pat Buchanan  
Elliott Abrams

March 10, 1986      Private Sector Supporters of U.S. Aid to  
Nicaraguan Democratic Resistance  
Room 450  
  
POTUS  
Linas Kojelis  
Pat Buchanan  
Elliott Abrams

March 21, 1986      Central America Rally  
Cabinet Room briefing  
  
Don Regan  
Pat Buchanan  
Bill Lacy  
Adolfo Colero  
  
East Room Rally  
  
POTUS  
Don Regan  
Pat Buchanan

May 2, 1986

Saudi Arms Sale  
Roosevelt Room

VP  
Linas Kojelis  
Michael Armacost  
VAdm. John Poindexter

September 23, 1986

Supporters of Strong U.S. Defense  
Roosevelt Room

POTUS  
Mari Maseng  
William Martin (DOE)  
Robert Barker (ACDA)  
Frank Gaffney (DOD)

# WITHDRAWAL SHEET

Ronald Reagan Library

*Collection Name*

CULVAHOUSE, ARTHUR B.:FILES

*Withdrawer*

DLB 5/15/2014

*File Folder*

IRAN/ARMS TRANSACTION: LEGAL MEMORANDA:  
NICARAGUAN CONTRA AID [BOLAND AMENDMENT] (3 OF  
8)

*FOIA*

S643  
SYSTEMATIC

*Box Number*

CFOA 1131

154

---

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
164997	MEMO  VICKI MASTERMAN TO PETER J. WALLISON, RE: CONTRA AID LAWS	12	2/24/1987	B1

---

The above documents were not referred for declassification review at time of processing  
Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- 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 concerning wells [(b)(9) of the FOIA]

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