

ARTICLE APPEARS ON PAGE

NEW YORK TIMES
23 February 1987

C.I.A. NOMINEE TIED TO '85 MEMO URGING IRAN ARMS DEALS

By **STEPHEN ENGELBERG**
Special to The New York Times

WASHINGTON, Feb. 22 — Robert M. Gates, the nominee to be Director of Central Intelligence, agreed to send the White House a memo in 1985 that favored arms dealings with Iran, even though he knew its reasoning was at odds with conclusions reached by his analysts at the Central Intelligence Agency, intelligence sources said today.

The memo was sent out with the signature of William J. Casey, then the Director of Central Intelligence. But the sources said Mr. Gates, as chairman of the agency's National Intelligence Council, had played a direct role in the decision to circulate the memo within the Government.

One source said the agency had been repeatedly asked by the White House in recent years whether the Soviet Union was making greater inroads in Iran and had said this was not true.

Written as 'Think Piece'

But the 1985 memo, written as a "think piece" by Graham Fuller, a senior analyst, suggested that the United States should permit Western allies to sell arms to Iran as a means of enhancing Western influence and blocking the efforts of the Soviet Union.

The memo led to the first National Security Council planning for dealings with the revolutionary authorities in Iran, even though the Senate Intelligence Committee report said the document was rejected as "perverse" by Secretary of State George P. Shultz and "absurd" by Secretary of Defense Caspar W. Weinberger.

It was not clear what motivated Mr. Gates to send the Fuller memo to the White House, although former senior intelligence officials said it was not unusual for views at odds with the consensus opinion to be circulated.

Motivation Is Questioned

One source contended that Mr. Gates had sent the Fuller memo to the White House as a means of winning political favor with senior officials.

But Kathy Pherson, a C.I.A. spokesman, said it was "absurd" to suggest Mr. Gates had forwarded the memo to the White House for political purposes.

"It's our job to pass on different points of views to policy makers," she said. "To say this memo was sent to curry favor is kind of a cheap shot."

She added that such memos were clearly identified as one person's opinion and not the conclusions of the C.I.A.

The issue of how Mr. Gates handled the memo is significant because members of the Senate Intelligence Committee, which is considering whether to confirm Mr. Gates as Director of Central Intelligence, have publicly questioned whether he is sufficiently independent.

At the confirmation hearing last week, Mr. Gates was questioned about the Fuller memo, and asked why its reasoning appeared to closely resemble a paper provided to the National Security Council by Adnan M. Khashoggi, a Saudi arms dealer who was later a prominent figure in the American arms dealings with Teheran.

Mr. Gates told the Senate committee that he had not seen the Khashoggi document. He also said the agency encouraged senior analysts, or national intelligence officers, to write "think pieces" that countered accepted views.

National intelligence officers like Mr. Fuller make up the National Intelligence Council. At the time, Mr. Gates was both its chairman and the C.I.A.'s chief of analysts in his position as deputy director for intelligence, and he was thus directly familiar with the views of other agency analysts about Iran.

One source said the decision to circulate particular "think pieces" through the Government was routinely made by Mr. Gates, although other sources said Mr. Casey sometimes also did so on his own.

The issue of Mr. Gates's willingness to contradict more senior officials was raised repeatedly in his confirmation hearings, mostly in the context of whether he should have notified Congress about suspected irregularities in the Iran operation.

At one point in the tense sessions, Mr. Gates insisted that he was not a "sycophant" and that his candid advice, not a propensity to please his superiors, was the reason for his rapid rise in the C.I.A.

Several members of the Senate Intelligence Committee, who asked not to be identified, said in interviews that they had questions about Mr. Gates's independence.

While no members of the committee were prepared to say that the nomination of Mr. Gates was in trouble, both

Republican and Democratic sources on the committee suggested that the issue had caused considerable disquiet among members of the panel. The members are also concerned that they might confirm Mr. Gates and then learn that his role in the Iran-contra affair was larger than he has acknowledged.

Robert C. Byrd, the Senate majority leader, who is a member of the Senate Intelligence Committee, said in an interview, "The Administration should not have sent up someone so close to this situation in the first place."

"He's probably quite capable and all that, but having been in the No. 2 position at the agency in the last year puts him under a cloud," said Senator Byrd, a West Virginia Democrat. "It puts every member of the Senate in a difficult situation. We don't know what the facts are and won't know when we vote."

The committee plans to hold a closed session to interview Mr. Gates further, and some members said another open hearing on the nomination might be scheduled. The committee has delayed its vote until after the Presidential commission examining the National Security Council issues its report on Thursday.



The New York Times

Robert M. Gates