

## RADIO TV REPORTS, INC.

STAT

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20815 (301) 656-4068

FOR PUBLIC AFFAIRS STAFF

PROGRAM Good Morning America STATION WJLA-TV  
ABC Network

DATE March 3, 1987 7:39 A.M. CITY Washington, D.C.

SUBJECT Selection of a New CIA Director

✓ CHARLES GIBSON: As you've seen in the news and seen in the headlines, yesterday Robert Gates, the number two man at CIA under William Casey and the President's choice to head the Agency, withdrew his nomination. And that leads, of course, to some questions about the agency. How much has the CIA been damaged by all the negative publicity of recent months?

Well, we have two former CIA Directors with us this morning. Admiral Stansfield Turner joins us from our Washington Bureau. And William Colby is with us from our ABC affiliate in Austin, Texas, KVUE-TV. A  
A

Good morning to both of you. And you're nice to join us this morning.

Mr. Casey, let me start with you -- I'm sorry. Mr. Colby, let me start with you.

How bad a blow is this, do you think, to the Agency itself?

WILLIAM COLBY: Well, I think you're getting a repetition of the sensationalism and attacks on the Agency. But when the investigations are finished, I think you'll find that the Agency essentially stuck to its business, that on Iran it did what the President said, and that it essentially stayed out of the Contra thing. You'll find a fingerprint or so along the edge of what it should do, and maybe over. But that's about all.

GIBSON: Admiral Turner, though there may just be a fingerprint or two from the Agency on this case, nonetheless this looks bad, does it not, having the withdraw the nomination of Mr.

Gates?

ADMIRAL STANSFIELD TURNER: Oh, yes, it does. I think Gates is a fine professional. But the Congress is uncertain at this time just what shape the CIA is in. If it needs a major overhaul, Gates, of course, is not the man to do it. He was too closely associated with Casey. If it just needs some touching up, he could have done the job. But they're just not sure in the Congress, and they won't know until all the investigations are completed.

I think there are at least two examples of very likely illegalities that the CIA did, and at least two examples of people in the CIA who were out of control. How bad those are, we're going to have to wait and see.

GIBSON: So you think it was more than Mr. Colby said, a fingerprint or two.

ADMIRAL TURNER: I'm afraid it's a little more than that, in my opinion. Because when you break the law, like carrying out a covert action without a presidential finding, or like having a chief of station of the CIA in Costa Rica who had to be withdrawn and removed from the Agency because of what he was doing in support of the Contras, I'm concerned. People have to be under firm control.

GIBSON: All right, let me come back to that, Mr. Colby. Mistakes should be...

COLBY: I certainly agree with the need for full control. There's no doubt about that. And as I say, I think you'll find a few fingerprints on the wrong side of the line here. But I don't think that passing a message from Dillie North to a Contra leader is any huge involvement of the CIA in Costa Rica. I think that's the point. We'll find some things that should not have happened.

It's more or less like Watergate. In Watergate, John Ehrlichman tried to blame the CIA for the whole operation. And what actually developed was that, yes, the CIA had done a couple of foolish things that it should not have done, but essentially it stayed away from the White House capers and activities. And I think it's very similar in this situation.

GIBSON: Mr. Gates said he withdrew because there was going to be a long delay, that the Senate was not going to act on his nomination until after their investigation by the Select Committee on the Iran-Contra Affair was over.

Would the CIA have suffered from that kind of a delay, or was it just the President who was going to suffer?

Admiral Turner?

ADMIRAL TURNER: I think both would have suffered. I think the CIA doesn't need to be dragged through more controversy than is absolutely essential under these circumstances. But I believe the primary consideration was the presidency, the desire to let Mr. Baker get things back on an even keel.

GIBSON: Do you agree with that, Mr. Colby? Do you think Mr. Gates thus becomes a scapegoat?

COLBY: Well, I think Chairman Boren of the Senate Committee expressed it best when he really gave high praise to Gates for withdrawing, because of the fact that the Agency and its leadership for the next several months would be ambiguous. And you can't leave an important agency like the CIA with ambiguous leadership. It's got too many critical problems for our country over the next days. And if the Senate wasn't going to work its will until it got the full answer, then that meant a long period of confusion. And I think Mr. Gates deserves great praise for withdrawing in that situation.

GIBSON: Let me put you both in a realm that you don't otherwise sit in. Let me have you choose who the person now is to head the CIA. Do they need a white knight to lead it, and who should that be?

Mr. Colby?

COLBY: Well, I think they need a very good man with impeccable credentials. I heard the name Brent Scowcroft earlier on the program, and he would, of course, be a superb nominee. There's no question about it.

There are military people, ex-military people. There are some political people that would be quite good, with impeccable backgrounds. I think they'll find somebody pretty good.

GIBSON: Admiral Turner?

ADMIRAL TURNER: I think you need somebody, first of all, who's going to be able to work well with the Congress; secondly, who's going to put covert actions into a better perspective; and thirdly, who's going to be a good manager and will keep the Agency under full control.

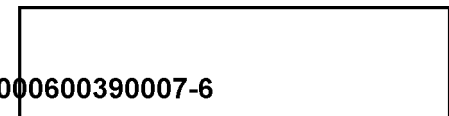
I'd name Brent Scowcroft and Bill Webster as my choices.

GIBSON: From the FBI.

ADMIRAL TURNER: Yes.

4

GIBSON: Admiral Turner, Mr. Colby, thank you ever so much for being with us this morning. Very interesting. And we hope to see you again soon.



# Gates raises doubts on Casey's role

By Adam Pertman  
and Michael Kranish  
Globe Staff

WASHINGTON — Robert M. Gates yesterday appeared headed for confirmation as the new director of central intelligence, but key legislators and other analysts said his two days of testimony raised serious new questions about the role former director William J. Casey played in the Iran-contra affair.

In addition, they said Gates' remarks before the Senate Intelligence Committee had left some members skeptical about Gates' candor and about whether they had yet learned the extent of the CIA's actions in the affair.

Of particular interest to both Republicans and Democrats on the committee were Gates' repeated denials — often to accusatory, sharp questions — that he should have done more to initiate an investigation once he had clues that money was being diverted to the contra rebels in Nicaragua.

Responses to this line of questioning raised doubts about Casey's role because Gates repeatedly said it was Casey who oversaw matters relating to both Iran and Central America.

For the first time in any testimony he has given this year or last, Gates said he had told Casey last September that he thought the Iran deal was a "bad idea" and should be discontinued. That served to focus more attention on Casey's role, because it appeared

to indicate that Casey had single-handedly upheld the CIA's end of the Iran program, which continued through last October.

In his testimony, Gates also cited at least three written indications Casey received last October that money had been funneled to the contras. But Casey left out any mention of the diversion when he testified about the Iran arms sale last Nov. 21.

Gates acknowledged that the information was intentionally omitted, but he said it was because only an "illegality," not an "impropriety," had to be disclosed under the law.

He also said, both Tuesday and yesterday, that he did not feel a need to press the matter with Casey because he felt the evidence was inconclusive.

The contra plan was disclosed publicly by Attorney General Edwin Meese 3d on Nov. 23, and several senators argued with Gates yesterday that he should have had reason almost two months before that time to believe that the diversion was going on.

"The testimony that was given by Director Casey on Nov. 21 ... was skimpy, scanty, uninformative and really misleading," a clearly irate Sen. Arlen Specter (R-Pa.) told Gates during his appearance yesterday.

Specter, along with other members of the committee, chastised Gates for not pursuing the matter with Casey when he helped his former boss prepare for his Nov. 21 appearance. And they rejected Gates' explanation that he believed that the material involved was too "flimsy" to spark his interest.

"Why didn't an electric shock go through your body?" Sen. Bill Bradley (D-N.J.) asked Gates, referring to an analysis that a CIA official gave him Oct. 1, 1986. The analysis told of overcharges in the Iran arms sales and said the contras may have been getting money but did not explicitly link the two. Gates said he took that information to Casey.

Specter later tangled with Gates about a draft authorization that the CIA's counsel had written to approve retroactively the agency's assistance on a weapons flight to Iran in late November.

The draft "finding" was never submitted for President Reagan's signature, but it is controversial because critics say it was intended to legalize a dubious action after the fact. STAT

Gates insisted that the finding was put together to deal with future CIA activities, but Specter strenuously disagreed. At one point, he said to Gates: "You're flatly wrong." Gates stood his ground, however, and told Specter that he would have to talk to the counsel if he wanted more information.

Regarding diversion to the contras, in addition to the incident on Oct. 1, Gates said he had a hint of the program when Lt. Col. Oliver L. North made a "cryptic reference" to Swiss bank accounts during a luncheon with him and Casey on Oct. 9. He said he later discussed this with Casey, too, but added that Casey was uninterested so he dropped the subject.

Gates said a third indication of a money diversion came on Oct. 21, when a New York businessman who was a friend of Casey's told the former CIA director of suspicions he had about money going to the contras.

Senators' doubts about the CIA and Casey were fueled by these episodes and by the CIA's role in assisting some of the weapons supply missions. Gates asserted that the operation was conceived and discharged by the National Security Council, while the spy agency provided only logistical support when asked.

He conceded, however, that he had erred in not asking specific questions about what was going on and vowed never to allow the CIA to be used in such a manner again. Gates maintained that he, along with other agency employees, made a conscious effort not to know about the contra program in order not to run afoul of laws mandating that they not support supply efforts for the rebels.

While that explanation seemed intended to allay the fears of committee members about the legality of the CIA's actions, it often served to make the legislators dubious about whether they were getting the whole story.

Perhaps more important, it also raised questions about whether Casey had simply made the Iran-contra project his own

and excluded his subordinates from the process.

"They didn't want to know, they didn't want to get involved," Sen. William Cohen (R-Maine), vice chairman of the intelligence panel, said of the agency's employees. Cohen said he believed that the NSC was chosen to run the project because it is not required to report to Congress, as is the CIA.

Sen. Patrick Leahy (D-Vt.), who was a member of the Intelligence Committee until last month, added in an interview: "Casey knows a lot more than he has said, but

now we will never know" because he is hospitalized. Leahy added that the CIA, in its effort to avoid telling Congress about the diversion to the contras, "worked harder on avoiding information than collecting it."

Despite the tough questioning of Gates, Cohen was among those who said Gates' experience and cooperativeness probably would lead to his confirmation. The committee is to vote on the nomination in about two weeks, and the full Senate will vote soon thereafter.

Gates did not criticize Casey

during the hearing. However, he said repeatedly that the CIA made numerous mistakes in the Iran dealings. In particular, he said, the administration made a serious mistake in not informing Congress of the enterprise for more than 10 months after it began.

Gates depicted the CIA under Casey as an agency that sought to avoid obeying the letter of the law on numerous occasions, including by telling his staff to remain uninformed about matters relating to the contras.

That shocked not only some Intelligence Committee members, but also such analysts as Adm. Stansfield Turner, a former director of central intelligence.

Turner said in an interview yesterday that he would never have told his staff to avoid learning about an intelligence operation. He said Casey's CIA, which performed some work on the contra operation despite a congressional prohibition, should have sought to find out why at least one of its agents was involved in an apparently illegal program.

"It is very serious," he said, "when a secret agency is not under its own control."

# Reagan names Gates to succeed Casey

## Little 'cloak-and-dagger' on deputy chief's resume

By Bill Gertz  
THE WASHINGTON TIMES

Robert Michael Gates, President Reagan's nominee for CIA director, has a reputation as an intelligence bureaucrat with a wealth of knowledge about analysis but scant experience with clandestine operations — often considered the heart and soul of the spy business.

A career CIA analyst who specializes in Soviet affairs, Mr. Gates, 43, became acting director last month when William Casey underwent brain surgery to remove a cancerous

tumor. Mr. Casey resigned yesterday.

The announcement of Mr. Gates' nomination drew praise from most intelligence experts, with the exception of some critics who felt he might derail Mr. Casey's large-scale covert action programs in support of anti-communist resistance movements.

David Atlee Phillips, a former CIA clandestine services officer, praised the Casey era for what he called "the revival" of both the agency's morale and the funds allotted for covert operations.

But Mr. Phillips said he believed Mr. Gates, who would be the first CIA analyst to become the agency's director, would not provide the same level of support for covert action.

"Since his background is devoid of all covert action experience, we will assume there will be very little of that in the last two years of the Reagan administration," Mr. Phillips said yesterday.

Born in Wichita, Kan., Mr. Gates attended the College of William and Mary and Indiana University. He earned a doctorate from Georgetown University. He joined the CIA in 1966 and then spent three years in the Air Force before becoming a CIA analyst.

In 1971 he joined the U.S. SALT negotiating team as an intelligence adviser, and in 1973 became the

CIA's assistant national intelligence officer for strategic programs.

He was detailed by the agency to the National Security Council during the Nixon and Ford administrations and later became an executive assistant to Carter administration National Security Adviser Zbigniew Brzezinski.

Mr. Brzezinski, now with the Center for Strategic and International Studies, described Mr. Gates as "a shrewd, experienced professional" who advocated close cooperation between the White House and CIA.

"One of the things he always stressed to me was that the CIA and National Security Council should be natural allies," Mr. Brzezinski said. "I think that analysis will serve him well as DCI."

Former Carter era CIA Director Adm. Stansfield Turner, who chose Mr. Gates as a policy adviser, said the director-designate would have a hard time repairing the agency's poor relations with congressional oversight committees following the Iran arms deal controversy.

"I think the president was right to put someone in there who is fully familiar with what went on," Adm. Turner said. "He's imaginative and he helped me originate many of the innovative things I tried to do for the CIA."

Adm. Turner has been criticized by some former CIA officials for summarily dismissing hundreds of the agency's most experienced clandestine services operators.

Mr. Gates was chosen by Mr. Casey to be an executive assistant in 1981, but later returned to his post as the top intelligence analyst on the Soviet Union.

He became CIA deputy director for intelligence in 1982 and assumed the No. 2 post at the agency last summer.

During confirmation hearings, Mr. Gates supported the administration's large-scale paramilitary programs but noted the agency was re-

sponsible only for implementing such programs.

"It [covert action] is a decision made by the National Security Council, and CIA is an instrument by which it is implemented," Mr. Gates told the Senate Intelligence Committee. "And I believe that when that decision is made, the CIA has an obligation to implement it as effectively and as efficiently as possible."

Intelligence sources said suggestions for covert action programs often began with plans developed by the CIA's operations directorate.

One intelligence source, who declined to be identified, said the nomination of Mr. Gates was a sign that agency enthusiasm for covert action has ended.

"The agency will be very, very hesitant to engage in anything with a flap potential unless they have someone like Casey willing to take the heat," the source said. "He was willing to give things a whirl, but I don't think anybody sees Gates that way."

"If I were a covert action operative," the source continued, "I would think about early retirement, or not working very hard until someone is in there who will support the programs."

Another source said the nomination did not have the support of clandestine services branch officials, although a CIA official said Mr. Gates had the backing of CIA Deputy Director for Operations Clair E. George.

Former CIA Deputy Director Bobby Ray Inman disagreed and said Mr. Gates was "absolutely the best appointment the president could make."

"He is the first director of central intelligence from the analytical side," Mr. Inman said. "But I'm comfortable he will call on the depth of competence from inside DDO [operations directorate] to operate it and operate it efficiently."

Senate Intelligence Committee member Sen. Chic Hecht, Nevada Republican, said he would not expect Mr. Reagan to have nominated Mr. Gates without Mr. Casey's full support.

"Bob Gates has big shoes to fill," said Mr. Hecht, who praised Mr. Casey for "rebuilding" the CIA. "He has got a top staff of people at the CIA that he can rely on."