

GATES

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WASHINGTON

Robert Gates assured Congress Tuesday that if he had been CIA director at the time, he would have fought -- and might have resigned over -- President Reagan's decision to keep Congress in the dark about secret Iran arms sales.

Gates, Reagan's nominee to succeed William Casey as director of central intelligence, told a Senate Intelligence Committee hearing on his confirmation that "the one mistake" the CIA made in the whole Iran arms-Contra aid affair "was in not pressing ... for a reversal of the direction not to notify the Congress."

Fending off sometimes sharp questioning, Gates explained that he and Casey did not tell the panel last November about "flimsy" speculation about a possible link between the arms deals and financing for the Contras because it was "not significant enough to bring to the committee's attention."

Gates, now deputy CIA director, also noted that he and Casey were "still governed by" Reagan's Jan. 17, 1986, order not to inform Congress about the arms sales.

When he was asked by Sen. William Roth, R-Del., if he were under any "restraints" now in answering the committee's questions, Gates briskly answered, "No sir."

Sen. Arlen Specter, R-Pa., accused Gates of failing to pursue evidence of the Contra diversion after being told by a CIA intelligence officer Oct. 1 of his suspicions the arms sale profits could be connected to rebel funding.

Gates, his voice raised, defended his actions. "I didn't sit on that. I didn't tell (the officer) to go away and come back to me when he had something more concrete. I said 'Let's move it to the next level of responsibility.'"

Gates said it was at his insistence that a memorandum on the suspicions was taken to Vice Adm. John Poindexter, then the president's national security adviser and a major figure in the Iran arms ploy.

"At each stage, it seems to me that my instinct was not to sit on it, not to try and make it go away, but rather to move it to the next level of responsibility ... to get it to people who had some idea on which to evaluate the situation," Gates said.

"I do not agree with you," Specter countered after reading from Gates' testimony to the committee Dec. 4, after the Contra cash connection was revealed by Attorney General Edwin Meese. Casey had testified before the panel Nov. 21, omitting any reference to suspicions about the Contra link. Meese disclosed the possible diversion Nov. 25, and there have been suggestions Casey had deliberately sought to mislead the committee in his Nov. 21 appearance, an allegation Gates denied.

Late Tuesday, the committee released a 105-page transcript of Gates' testimony on Dec. 4 that appeared consistent with the statements he made during the day's hearing.

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"What we had were some bits and pieces, analytical judgments by one intelligence officer that there was some diversion of funds," Gates said in December, but "had nothing more concrete to go on than that."

Committee Chairman David Boren, D-Okla., opened the hearing by saying it would not be a detailed exploration of the scandal that has rocked the Reagan presidency, and lawmakers focused their questions largely on the conduct of the CIA and Gates in the affair -- not the wisdom of the Iran arms overture or the president's role.

The hearing adjourned late Tuesday afternoon and Gates was asked to appear for a second day of questioning Wednesday morning. Boren said the hearing would be recessed, not ended, after Gates' testimony, so lawmakers and the CIA official could study the forthcoming report of the Tower Commission, due for release Feb. 26. That means a Senate vote on Gates is not likely before March.

Gates, a career intelligence analyst who at 43 would be the youngest director in the agency's history, was questioned about his knowledge of the clandestine Iran arms project and possible diversion of money to the Nicaraguan Contras during an extraordinary open session of the committee, which held extensive closed hearings on the controversy late last year.

Casey, a longtime friend of the president, resigned Feb. 2 after undergoing brain cancer surgery. Gates had high praise for his former boss, but also said that under an informal arrangement, Casey was generally responsible for both Iran and Central American matters.

Gates was asked by Sen. Bill Bradley, D-N.J., about how he would have conducted himself as CIA director during the affair.

"I must say that ... the only real regret that I have and the one mistake that I think we at the agency made, that I made, was in not pressing ... for a reversal of the direction not to notify the Congress," Gates said.

Gates said he did not resign as deputy director over that same matter of principle because he felt there was no wrongdoing and it was the first time the president had exercised the authority to withhold information about covert operations from Congress.

Asked if he would resign under those circumstances if he were director, Gates replied, "I would like to think that I would have gone to the president and revisited the issue of prior notification. Perhaps if that had happened and he said no, then I would have contemplated resigning."

Earlier, Gates had frankly acknowledged "shortcomings in CIA's participation in the Iran (arms sales) project," and said the agency erred in "not pressing to reverse" Reagan's directive "once the operation began to string out after mid-February 1986."

Sen. William Cohen, R-Maine, asked Gates whether he would have supported -- as Casey did -- Reagan's signing of the Jan. 17 finding that authorized direct U.S. arms sales to Iran and ordered the CIA not to inform congressional committees of the covert operation.

"I probably would have recommended against it," Gates replied.

In his opening statement, Gates assured the lawmakers that he would work as director "to avoid the valleys of mistrust" that have plagued CIA relations with Congress in recent years.

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Gates said he believes Congress should be notified in advance of covert operations except in the most unusual circumstances and, at most, "only a period of several days" should elapse before lawmakers are informed -- not the nine months that passed before the Iran arms case was made public.

Faced with a similar case in the future, Gates said he would recommend that Congress be promptly informed. If his arguments failed, he said, "I would not be disloyal to the president or insubordinate," but would then consider resignation.

Despite Gates' assurance, Sen. Sam Nunn, D-Ga., told Gates some of his answers indicated the panel had "no hope of getting appropriate oversight" because of Gates' "very narrow interpretation" of when he must report illegal intelligence activity to Congress.

The sharp clash was sparked by Gates' claim the National Security Council, deeply involved in the Iran arms initiative, was not an "intelligence entity," a view that Nunn said left him "astounded."

Nunn also took issue with Gates' claim that the NSC activity was "primarily a diplomatic activity."

"Sending guns to Iran and ammunition and TOW missiles is a diplomatic activity?" Nunn asked. "The State Department is going to have to get a different kind of uniform if that's the case."

Gates also told the panel he knew nothing of the early planning of the Iran initiative, or the Israeli transfer of American arms to Iran late in 1985, and it was not until February 1986 he became aware of the details of the project.

When Boren asked if he believed it was wise to use arms to open channels in Iran or win release of American hostages in Lebanon, Gates replied, "No sir, I don't think so."

Early in the hearing, Gates was pressed to explain what was left out of the accounts he and Casey gave lawmakers late last year, particularly regarding the Contra connection.

Gates, speaking calmly, insisted he did not tell the committee about early hints Iran arms money was being diverted because all he had heard was "worrisome but extraordinarily flimsy" speculation -- some of it based on posturing by Manucher Ghorbanifar, an Iranian arms merchant the CIA believed to be untrustworthy.

Reliance on Ghorbanifar and other private individuals by the NSC in the secret foreign policy operation is one area being reviewed by the Tower Commission. The group's report is expected to be critical of the operations of the White House agency that handled many details of the covert Iran operations, with some help from the CIA and other government agencies.

In addition to the Iran arms sales, the NSC also provided coordination, through Lt. Col. Oliver North, for private efforts to aid the Contras during a time U.S. aid was banned by Congress. North and Poindexter, his superior, were named by Meese as the only two officials who were aware of diversion of Iran arms profits to the rebels.

In addition to the Tower panel, two special congressional committees and a federal special prosecutor are investigating the Iran-Contra controversy. Several senators said those probes will weigh in their decision: Can Gates run the CIA while answering questions about his role in the affair for months to come?

While the questioning began politely, members of the panel served notice Gates faced tough scrutiny. Sen. Ernest Hollings, D-S.C., noted his "lack of experience in the operational end" of the agency, an issue that Sen. Arlen Specter, R-Pa, cited among "serious reservations" about the nomination.

Gates, who has 20 years' service with the agency and holds a Ph.D. in Soviet studies, had no experience in covert operations before becoming deputy director in April 1986.

Other senators, however, gave him high marks. Sen. John Warner, R-Va., who introduced the nominee to the committee, said that as CIA director, Gates would assure that "intelligence is independent of policy."

On the possible Contra connection, Gates said that in addition to the word he got from a "national intelligence officer" on Oct. 1, he had only two other hints the arms sales might be linked to the rebels. One was a phone call to Casey from a former business associate, who said some investors in the arms deals had not been paid and might expose the deal if not mollified.

The only other hint, Gates said, came during an Oct. 9 lunch he and Casey had with North, who dropped a "cryptic remark" about a Swiss bank account and the Contras. Gates told the committee Tuesday he did not understand the comment and when he asked Casey about it later, the CIA chief either hadn't heard it or "picked up on it."

"I considered in October and November, and even today, that it would have been irresponsible to report to these bodies the flimsy speculation of Oct. 1," he said, and the other hints did not change his mind, although he said the pertinent information to Poindexter.