ARTICLE APPEARED ON PAGE 3 White House Seeks Nominee To Head CIA

Gates's Withdrawal, Rebuff By Tower Trigger Rush To Find New Candidate

By JANE MAYER And JOHN WALCOTT

Staff Reporters of THE WALL STREET JOURNAL WASHINGTON – White House officials were left scrambling last night to find a prestigious nominee to head the Central Intelligence Agency after former Texas Sen. John Tower turned down the job following Deputy CIA Director Robert Gates's withdrawal.

White House sources said Mr. Tower, a lawyer, turned down the job, citing financial considerations. But some congressional sources speculated that Mr. Tower, former chairman of the Senate Armed Services Committee, doesn't want the post because, in some cases, he would report to befense Secretary Caspar Weinberger. Last night, some White House officials still were trying to persuade Mr.Tower to accept the post.

White House officials said they expected to have a new nominee by today or tomorrow. Sources said that among those still under consideration are former National Security Adviser Brent Scowcroft, U.S. Ambassador to the United Nations Vernon Walters, and also some Democrats, principally former National Security Adviser Zbigniew Brzezinski. Like Mr. Tower, retired Lt. Gen. Scowcroft was a member of the highly praised commission that President Reagan designated to investigate the Iran-Contra scandal. Gen. Scowcroft's office said he was out of the country and unavailable for comment.

Another possible candidate, retired Adm. Bobby Ray Inman, who headed the National Security Agency, was deputy director of the CIA and now heads his own high technology consulting firm in Austin, Texas. He reiterated that he doesn't want to return to government service. In an interview last night, he said: "I haven't been approached, and if I were I would say no."

Originally, according to new White House Chief of Staff Howard Baker, the president had hoped to announce a replacement for Mr. Gates yesterday.

Mr. Gates, who has been acting director of the agency since William Casey underwent surgery for brain cancer last Decem3 March 1987

ber, feared that his confirmation would be delayed by the Senate's investigations into the Iran-Contra scandal, plunging the CIA into debilitating uncertainty. His decision to withdraw had been expected for several days.

Mr. Tower's reaction when he was offered the job fueled speculation that the Reagan administration, with only two years left and facing growing political woes, is finding it difficult to attract top candidates for senior posts. Last week, before the White House announced the selection of former Sen. Baker as chief of staff, two of the president's choices rejected offers to succeed departing Chief of Staff Donald Regan. Earlier, Mr. Baker himself had withdrawn from consideration for the CIA post.

Meanwhile, President Reagan will deliver a televised address to the nation tomorrow at 9 p.m. EST, Mr. Baker said at a brief news conference yesterday. The president is expected to respond to the Tower Commission report, and presidential advisers say the speech is a crucial chance for him to restore his own credibility and set the administration on a new course.

Some administration officials suggested that Gen. Scowcroft's role on the Tower Commission, whose report issued last Thursday boldly criticized the president's management style, actually might help his chances. In the current climate, where the president's credibility is in strong need of bolstering, "if anything it would help," said one White House official.

Mr. Gates's withdrawal, announced by Mr. Baker on his first day on the job, adds to the number of senior administration officials whose careers have been jeopardized by the Iran-Contra affair. Last Friday, Mr. Regan resigned as chief of staff. And earlier, former National Security Adviser John Poindexter stepped down and former National Security Council aide Lt. Col. Oliver North was fired for his part in the scandal.

In a letter to President Reagan, Mr. Gates said the Senate wants to complete its investigation of the Iran-Contra scandal before acting on his nomination. "A prolonged period of uncertainty would be harmful to the CIA, the intelligence community and potentially our national security," he wrote.

In his written reply to Mr. Gates, the president described the 20-year CIA analyst as "a remarkably talented and dedicated man" and asked that he continue to serve as deputy director of the agency.

"I have been impressed with the class he has shown under the enormous pressures of recent weeks," the president wrote. "At any other time, I am certain that he would easily have been confirmed without delay."

Mr. Gates also took the opportunity yesterday to answer a number of allegations about his performance at the agency. The CIA yesterday released a four-page letter from Mr. Gates to Sen. David Boren (D., Okla.), chairman of the Intelligence Committee, in which Mr. Gates conceded that he should have pressed harder last October to investigate the Iran-Contra affair.

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But in the letter, Mr. Gates called the allegation that the CIA participated in a cover-up "particularly outrageous." He conceded, however, that former CIA Director William Casey "changed a good deal (of his testimony to the Senate intelligence panel) himself in the last 24 hours" before he testified. The committee has reported that much of Mr. Casey's testimony was incomplete or misleading.

Mr. Gates also said that during the same period last October and November, he wasn't given pertinent information by other CIA officers "and was misled by the NSC." He said that last summer he warned Mr. Casey about the secret Iran policy and the possible effects of failing to notify Congress about it. But Mr. Gates didn't believe that he should have quit over the issue.

In his letter to Sen. Boren, Mr. Gates also rejected allegations that he slanted the CIA's analysis of Iran and other issues to suit the White House, and said that "CIA analysis prepared at my direction" was the basis for rejecting an NSC proposal for a joint U.S.-Egyptian invasion of Libya. The Washington Post had reported that Mr. Gates wrote a memo supportive of the invasion proposal.

Mr. Gates wrote that a memo he sent to Mr. Casey "was downbeat on the chances of success and raised alternative policy options for examination." Intelligence sources said Mr. Gates wrote the memo in mid-July 1985.

Officials at the White House, the Pentagon and the State Department independently confirmed that Mr. Gates opposed the notion of invading Libya. They said that beginning in 1979, when the late Egyptian President Anwar Sadat first suggested an attack on Libya, officials of the CIA. State Department, and Pentagon all warned repeatedly that the Egyptians could get bogged down, drawing U.S. troops into the conflict; the Soviet Union then could raise the stakes by launching a major effort to resupply the Libyans.

After the notion was revived and scotched in 1985, intelligence sources said, the Reagan administration secretly adopted a plan for a multipronged program of economic and military pressure, psychological warfare and covert action to destabilize Libya's Col. Moammar Gadhafi, encourage opponents of his regime, and combat Libyan-backed terrorism.