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SUBJECT Discussion of Change in CIA Leadership

J LEM TUCKER: After much speculation about his future, the White House announced Monday that CIA Director William Casey has resigned. Casey has been hospitalized since undergoing surgery for a brain tumor on December 18th.

Casey is a longtime friend and political ally of President Reagan. He was named to head the intelligence agency in 1981 after helping manage Mr. Reagan's successful presidential campaign.

Casey's resignation comes at a time when many questions are being asked about the CIA's role in the Iran-Contra affair.

With us this morning are William Colby, former CIA Director in the Ford Administration. George Carver -- he was a member of the 1981 CIA transition team. He's now with Georgetown University's Center for Strategic and International Studies. And John Cross, a 20-year CIA veteran. He was also on that 1981 transition team, and he stayed on for a while as an Agency adviser.

Good morning.

Let me ask you. Mr. Casey has resigned now, and we know that his Deputy, Robert Gates, is going to replace him. Awful question to ask three Agency guys, I guess. But does Robert Gates have very big shoes to fill in replacing Bill Casey?

WILLIAM COLBY: Certainly he does. Bill Casey, I think, has done a very fine job, for one. And secondly, he has a very close relationship with the President, which is a very distinct advantage for a CIA Director to be in that kind of connection

with the President.

Gates, obviously, is of spectacular career service, himself. He has the confidence of the government, and I think of the Congress. And so I think he can fill them.

But the answer is, yes, they are big shoes.

GEORGE CARVER: They're big shoes under any circumstances, not just following Bill Casey. The Director of Central Intelligence holds an enormously important position in our government. He must preside as the administrative head of CIA, and also the senior intelligence officer looking after the whole community, as Bill knows from having held the job himself.

So, it's a tremendous job, quite apart from the fact that Gates's immediate predecessor did it in a very distinguished fashion. And Bob is very able guy, but he's going to have his work cut out for him.

JOHN BROSS: Well, I agree with both Bill and George. In fact, I went so far as to call Bob Gates this morning and tell him that I was sure that his shoes were large enough.

I think he's fortunate in Frank Carlucci's appointment to the National Security Council at this point because it will give Bob, I think, a relationship in which he can flourish and have confidence.

TUCKER: Do you think there'll be a close relationship, perhaps even closer than before, between the CIA and the NSC, with Bob Gates and Frank Carlucci having a past?

CARVER: Well, I hope so. The whole governmental system functions best when the Director of the Central Intelligence and the President's Assistant for National Security Affairs get along closely in a professional sense. It's not necessary that they be bosom buddies, personally.

But when Bill was Director, he and Brent Scowcroft got along very well, and that benefited the whole government.

TUCKER: Do you see any indication, you want to talk about, that there was some breakdown in that closeness between Poindexter and Bill Casey, and then maybe that's part of the reason why there is a little bit of a mess going on right now?

COLBY: No, I don't think that was the case. I think what happened here was that with respect to the arms to Iran that Poindexter was arranging, the Agency was asked for some help, and did it with a finding from the President that that was a proper thing to do.

With respect to the aid to the Contras, the Agency was prohibited from being involved in that, and it obviously took considerable steps to stay out of that particular problem.

TUCKER: There are some questions.

COLBY: There are some little steps over the edge of the line here and there. But I think, by and large, you'll find that the investigations essentially support what I said.

TUCKER: Let me ask you gentlemen, looking at the Iran-Contra situation, affair, mess, whatever we're calling it. Would you give me an appraisal, each of you, a brief appraisal?

BROSS: Of what? Of where we stand now?

TUCKER: Of that whole situation. Is it a mess. Is it -- was it handled badly?

BROSS: Well, it's pretty untidy. But I think you have to recognize the tremendous pressures which existed, and were asserted and felt by the President, to do something about the hostages, which obviously preoccupied much of his concern and attention.

Then there's this question, which is somewhat controversial, as to the degree to which this represented an overture to some dissident opposition element in Iran, which again, ex-the-weapons-problem, was a perfectly legitimate field of investigation.

TUCKER: Mr. Carver?

CARVER: Well, it isn't tidy. But one of the main reasons it's untidy, and I think one of its big lessons, is because the machinery of government that's set up to handle such matters was simply jumped and not used. The idea was broached to the NSC staff and to Mr. Poindexter, the Assistant to the President. It was given to one of his subordinates, Colonel North, to execute. And the people who could have scrubbed the Israeli appraisal on which the whole thing was based and who should have handled the execution of any such program were deliberately cut out of it, for a whole variety of reasons.

And that, to my mind, is far from the least of the reasons why it wound up a mess.

COLBY: I agree with George on that. But I think the arms to Iran was totally misguided and the wrong thing to do. All one has to do is conceive of what would our situation be if Iran actually begins to win this war against Iraq and if it

begins to threaten the rest of the Gulf, and so forth. We'd have a terrible situation. So there's no justification for the arms.

Dealing with them for the hostages? All right. Looking for dissidents? Okay.

But with respect to passing money to the Contras, pretty clearly, if you're going to do something in the clandestine world, you'd better use the professionals. And if you don't use them, you're going to get in trouble, such as now they can't find what happened to between 10 and 30 million dollars.

CARVER: And if you want to deal with dissidents in Iran, you let the professionals quietly look for the dissidents. You don't send planeloads of arms into Teheran airport in a way that they're bound to gain publicity.

TUCKER: With a bible and a cake.

BROSS: Well, the bible and the cake...

TUCKER: The Agency's involvement. Any criticism of that that you care to offer? From what we know, on the public record.

CARVER: I think its involvement was minimal, and I think it was designedly minimal. I think Bill Casey made some input as a senior White House adviser and, as Bill Colby suggested, the Agency provided some assistance to NSC staff activity during the course of the Iran affair. But I think that one of the big problems is that neither the Agency nor the Defense Department nor the other components of government that should have been involved, both in the appraisal as to whether this was a good idea and its execution, were involved.

TUCKER: Let's take a quick break. When we come right back let's pursue another line here.

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TUCKER: There are also allegations, reports that the CIA under Mr. Casey may have been involved in getting equipment and funds to the Contras during the period in which Congress said that was a no-no.

Mr. Bross, would that be appropriate action for a CIA guy?

BROSS: Well, I can only tell you what you know from reading the newspapers. I gather that there was a concerted effort by various agencies of the government to enlist the

cooperation of other nations and organizations in keeping the Contra program afloat. But exactly who did what to whom, I do not know.

COLBY: I think the record is pretty clear that the President felt very strongly about continued aid to the Contras, to do what he could to get this done, and that this included going to other nations and asking them for support, and so forth; including let his staff run loose, fairly loose, the NSC staff run loose to arrange this separation of money and sending some to the Contras; having these various private groups operating, with the NSC staff's knowledge and approval. That certainly existed.

But I think it shows that the agency really kept itself pretty much out of it, except for a couple of very minor steps over the line, such as passing a message from Colonel North to some people in Costa Rica.

TUCKER: Well, with the concern on Capitol Hill about the entire affair, including the CIA's involvement, do you see Mr. Gates, Robert Gates having a harder time being confirmed?

CARVER: No, not at all. In fact, I think one of the reasons why this was a very astute selection is that Bob has already been through a confirmation process when he was named Deputy Director.

TUCKER: And he's a 20-year veteran of the Agency.

CARVER: I think that he has excellent relations with the staff and the members of the oversight committees. And I think some questions may be asked, but he has personal capital of trust to trade upon. And I think that one of the reasons it was wise to pick him was that any other choice, particularly a high-visibility political choice, might have had much more difficulty at confirmation than Bob will have.

BROSS: If I may add a thought, Bob Gates is the first individual to be given this assignment who comes from what we know as the analytical side of the house. Traditionally, the Agency has been regarded, to some degree criticized, for coming to emphasizing its operational responsibilities. Here is Bob Gates, whose entire experience has been in the production of estimates and analyses. And I think this will be very reassuring to the university community.

Don't you?

COLBY: Absolutely.

TUCKER: Do you find that reassuring?

COLBY: Yes. I think that Bob Gates' appointment represents the final accomplishment of an analyst becoming the top element of Central Intelligence. This was always the idea, from it's very start. But since the enthusiasm got going for operations, the operators dominated the history of the Agency for a long time.

TUCKER: Let us in a bit on the Agency working, the operational side, the analytical side. Basically -- well, and then there's the political side. Many of the...

COLBY: No.

CARVER: No.

TUCKER: Well, but William Casey, I mean, was a political appointee.

COLBY: Well, he was an outside appointee, but he had spectacular qualifications in his history of foreign affairs, intelligence work in World War II, and so forth.

And incidentally, one of, I think, the most permanent contributions Casey will have made to CIA is in his reorganization of the analytical staff and putting Bob Gates at the head of it to really move it into the center of activity.

TUCKER: Will he be able -- because he comes from the analytical side, do you think he will be able to resist the operational side and those who made -- the next group of Oliver Norths, who may push for some operation here?

CARVER: Well, I think the experience is sitting right here. Both Bill Colby and Dick Helms came from the operational side. And I can assure you, from having worked with both of them, that neither had any trouble resisting pressure from analysts when they needed. And I think the flip side of that applies with Bob Gates and the operators.

BROSS: And I think this is a point that should be emphasized. The Central Intelligence Agency is an extremely disciplined organization, probably the most disciplined organization in the government. And there is no question in my mind that they will fall into line and do what they're told to do.

TUCKER: You say that's so, but yet -- and maybe I read too much. There seems to be an impression afoot the CIA -- you go all the way back to Chile. There was something, a lot of Americans said, "Hey, what are we doing there?" You look at some of the involvement, alleged involvement in funding the Contras.

"Hey, why is the CIA doing this? It may be in violation of the law." You look at CIA operatives in Central America dealing with Contras and other people that they apparently weren't supposed to be dealing with.

So, I think some of the public would look and say, "What are they talking about, highly disciplined?"

COLBY: No, no. I think, absolutely, the cases you describe, the policy decisions were clearly made by Presidents, not by CIA. They were the Presidents' directives that led to these actions being taken. The Agency saluted and did them.

The other issue you say, about whether they're complying with the law, I think you will find that they did comply with the law. At certain periods they were entitled, under the law, to exchange intelligence and to provide communications equipment to the Contras. And when that law change was made, they began doing it, under the law.

So, I think you'll find very few cases of where -- don't blame the Agency for Colonel North. He was not in the Agency. And the real problem was that he didn't use the Agency.

BROSS: And wasn't this the finding of the Church Committee, the Senate committee that investigated the alleged abuses of CIA in the early '70s?

COLBY: Absolutely. The Church Committee finding was CIA wasn't out of control, a rogue elephant. If anything, it was too much under the control of the President, and that the Congress hadn't done its proper job of supervision.

TUCKER: Let's take another quick break, come back and wrap this up.

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TUCKER: Any of you think that Congress is going to take this opportunity -- I know you said you thought Robert Gates would get confirmed. But there are those in Congress who are allegedly upset with the way certain things have been done involving the CIA, William Casey. Do you think the CIA is going to have to go through a bit of a public controversy -- no, that's the wrong word -- going to be put in the spotlight for longer than maybe it would normally be just to confirm a Director?

CARVER: Well, I hope not. Because one of the United States's great problems in dealing effectively and quietly overseas is the conviction on the part of many foreigners, including services and individuals with whom we want cooperate,

that we can't keep our own mouths shut protecting our own secrets, let alone theirs, partly because of the glare of congressional publicity. And I hope that Congress will behave in a responsible fashion and not try to rejigger its balance with the Executive at the expense of the United States Government's intelligence capabilities, which we badly need in this time of crisis.

TUCKER: You oppose -- go ahead, sir. I'll come back to my question. Go ahead.

BROSS: Well, I was simply going to say that with the number of proliferating committees, of which there are at least three in the Executive Branch, and heaven only knows how many in the Congress, all of which has a certain interest in examining the background and determining what happened in this Iran thing, I think there will be no paucity, if that's the right word, of information coming out which may not be too well digested.

In other words, I think this investigative period is going to be a difficult one.

TUCKER: You oppose the reporting-to-Congress rules that the CIA has to abide by?

BROSS: No.

TUCKER: Are they too broad?

COLBY: They're very good.

TUCKER: Should we restrict the number of people?

COLBY: They're -- well, it would be ideal if you had one committee instead of separate ones in the separate Houses. But that's something Congress has to solve. The fewer the people the better, of course. But to have Congress involved, absolutely, it's important that that exist.

CARVER: Congress has to be involved. You do need, in the interest of security, to try to restrict the number. One committee would be better than two, although two are better than eight. And I, myself, regret the amount of turnover on the memberships of the committees, and particularly their staffs, and the rate of turnover. Because over a period of a decade or so, the number of people who have had access to the most sensitive secrets of the U.S. Government and now are no longer under effective discipline is staggering, and really rather chilling.

BROSS: I was not referring to the oversight responsibilities and authority of the Congress. I was talking about the

number of committees which have been create or have an interest in this specific so-called Irangate issue.

TUCKER: I see. I see.

What would each of you, if you had a chance -- let's assume that each of you is right now the Director of the CIA. What would be the most important thing? Maybe Robert Gates is watching and you'll say, "Hey, here's something you ought to do." What's the first thing Robert Gates ought to do? Or an important thing you think should be done.

COLBY: Well, establish a good relationship with Frank Carlucci and the White House, and a good relationship with the Senate and House Intelligence Committees. Then look around the world to see where we need to use our efforts to learn more about the world and denied areas of the Soviet Union, and so forth, or entangled areas like the Middle East.

CARVER: Well, I would agree with all of what Bill has said. And in the process of doing that, solidifying his relations with the White House and with Capitol Hill. Bob needs to reassure his colleagues in the Agency and throughout the community that he's going to be as effective and forceful a leader of them and representer of their interests on the Hill and in the White House as was Bill Casey. And that's going to require a good deal of his time over the next few weeks.

BROSS: I believe that his relationships with the heads of other agencies of the government, such as the Federal Bureau of Investigation, are sound, that Bill Webster has con -- I'm told this, and I believe it's true -- so that I think he gets off to a very good start as far as his relations are concerned.

He's a very intelligent man, and I think he will make the most of it.

TUCKER: Can we talk old times just a second here? Bill Casey had a hand in founding this country's intelligence community, did he not?

COLBY: Well, he was a member of the OSS, which was the predecessor organization. But so was Mr. Bross and so was I. George was too young.

BROSS: Well, he did have a role in advising General Donovan about some of the early organizational and administrative steps that were taken by OSS. And he also played a part in the operational scene in Europe. So he was in at the creation. I think you can say that. As was Bill.

TUCKER: As you look back at those days, obviously, you opted to stay in the intelligence community. What did you like most? Each of you, now. What did you like most about being in what is a very dark secret area to most of us?

COLBY: Service to your country, I think. That's the most important motive.

TUCKER: Service to the country. And I don't demean that one bit, sir. But beyond that, no James Bond loves? No the fear of a little danger now and then?

COLBY: I've jumped out of airplanes and I've gone up the back streets of Europe and I've gone into the jungles of Southeast Asia. I've had enough adventures. But the challenging part of CIA is understanding what's happening in this great big world around us, to understand different cultures, different peoples, get to know them, get to understand what motivates them, so that you're helping your country.

CARVER: That's absolutely right. I know, also, at first hand the truth of Churchill's adage that the most exhilarating thing in the world is to be shot at and missed.

But the basic thing that the Agency gave to me, as I think to most professional officers, is a chance to use all of your talents and all of your training on a very exciting, important series of problems in the service of your country. And this question of service, it may sound corny, it may be out of fashion with the spirit of the '60s, the '70s, and the '80s, but it certainly motivated those of us who came on board in the '40s and '50s.

BROSS: I think it's important to remember -- I, for instance, did not stay on in intelligence, and I don't think Bill did, either. I think we both came back at the time when the Cold War seemed to be hotting up in the very early '50s. And this was in response to what was sort of a national appeal for people to come in and help in the intelligence field, or the administrative field or the economic field, or whatever.

TUCKER: And of you worried, as we wrap this up, worried about the future of the Agency, with the battering, justified or not, that it sometimes takes?

CARVER: You always worry about it, but it's survived to date. And I think if Bob gives the kind of leadership which I know he's capable of giving and has the kind of support that he deserves from the White House and Capitol Hill, it too will survive this battering.

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COLBY: I think it's an essential part of our national security system, just like the Army, just like the Navy. We don't worry about whether the Army's going to survive. It's going to survive.

BROSS: If you didn't have it, you'd have to invent it.

TUCKER: That's a good last word.

We've been talking about the CIA and its new Director.