



CNN AMERICA, INC.
The CNN Building
820 First Street, N.E.
Washington, DC 20002
(202) 898-7900

NEWSMAKER SUNDAY

AIR DATE: Sunday, September 15, 1991 at 10:30 AM & 5:30 PM EDT

ORIGINATION: Washington, D.C.

TOPIC: FINALLY: THE GATES HEARINGS

GUESTS: Senator JOHN WARNER (R., VA)
Select Intelligence Committee

Senator DENNIS DeCONCINI (D., AZ)
Select Intelligence Committee

SCOTT ARMSTRONG
Journalist and Author

BRIAN BARGER
CNN's Special Assignment Unit

CORRESPONDENT: Bob Franken, CNN's "Newsmaker Sunday"

EXECUTIVE PRODUCER: Elissa Free

ASSOCIATE
PRODUCERS: Kelly Wallace
Susan Reichley

CONDITION OF USE: Credit CNN's "NEWSMAKER SUNDAY."

(c) Copyright 1991, Cable News Network, Inc. All Rights Reserved.

EDITOR: This is a rush transcript provided for the information and convenience of the press. Print and broadcast media are permitted to quote this transcript provided credit is given to "EVANS & NOVAK" (CNN). Video and audio cassettes are available upon request to the media. For further information please contact Su-Lin Cheng, (202) 515-2924.

AUDIO TRANSCRIPT SERVICES - (301) 277-1661.

PLEASE CREDIT ANY QUOTES OR EXCERPTS TO "CNN"s "NEWSMAKER SUNDAY."

(C) Copyright 1991, Cable News Network. All Rights Reserved.

Mr. FRANKEN: Is the Robert Gates nomination to be director of the Central Intelligence Agency in trouble? Is he now and has he ever been honest with Congress about his role in the Iran-contra affair? And what about his knowledge of the BCCI scandal?

Mr. FRANKEN: Welcome to "NEWSMAKER SUNDAY." I'm Bob Franken, in Washington. We'll ask two members of the Senate Intelligence Committee, Senator John Warner, Republican of Virginia, and Senator Dennis DeConcini, Democrat of Arizona. And later investigative reporter Scott Armstrong, a visiting scholar at The American University, and Brian Barger, with CNN's Special Assignment Unit. Today on "NEWSMAKER SUNDAY."

President GEORGE BUSH (13 Sept. '91, White House): "A lot of these kind of feathery charges that are floating out there are nonsense. And I think the process will be fair enough that I wouldn't concede that this nomination is in any trouble at all."

Mr. FRANKEN (Voiceover): That was a mild comment from President Bush on Thursday. A former CIA head himself, the president has emotionally supported his nomination of Robert Gates to be the director of Central Intelligence. Presidential passion notwithstanding, Gates will face tough questions from the Senate Intelligence Committee.

Senator HOWARD METZENBAUM (D., OH): "The entire Iran-contra issue, the whole question of funding for the contras, the question of arms sales at exorbitant profits and the use of that money to fund the contras, all of that we certainly want to figure out or understand why Mr. Gates himself didn't know the facts and, if he knew the fact, why he didn't act in connection with that knowledge."

Mr. FRANKEN (V/O): Many of the questions haven't changed much since 1987, when Robert Gates was nominated by President Reagan to replace William Casey as director of Central Intelligence. The Iran-contra scandal was just unfolding then and Gates gave up rather than continue with the harsh questioning. But the questions remain.

Former CIA spymaster Clair George has just been indicted by the Iran-contra grand jury. George was number three at CIA when Gates was number two to Casey, leading many to wonder how Gates could claim not to know of the Iran-contra connection when his boss, his immediate subordinate and others around him were so intimately involved.

And what of BCCI, the worldwide bank caught up in charges of massive financial irregularity, involvement in terrorism? How could the CIA use BCCI's services when Gates left the strong impression in 1988 that he and others knew of its sinister character.

WILLIAM VON RAAB, former US Customs Commissioner: "He said -- First off, he laughed or something like that, and said, 'Well, they always referred to it as the Bank of Crooks and Criminals International.'"

Mr. FRANKEN: What's remarkable is how these same questions have prevailed for so long. You are somebody who has very serious questions, Senator DeConcini, about the Gates nomination. Why?

Senator DeCONCINI: Well, let me first say that I have worked with Mr. Gates. I've been on that committee for five years, and he presents himself well and I have no personal animosity about the man at all. But I am concerned about this agency and who's going to take over the leadership of it. I don't find any constituency in that agency of great support. Now after I say that, I'm sure a petition will be circulated this afternoon or Monday morning getting a lot of people to come forward. But I think this agency is also up for consideration and scrutiny along with this nomination.

I haven't decided what I'm going to do and it's really up to Gates. It's up to Bob Gates.

Mr. FRANKEN: But what are your questions? Are your questions Iran-contra oriented?

Senator DeCONCINI: Yes, somewhat, but you know we've been over that and I think that has been hashed over a lot. I do have a problem with whether or not he was involved with the preparation of the testimony of Casey, because Casey came to the Intelligence Committee right after I went on it and we found out

that he'd just purged himself and supposedly Bob Gates prepared that testimony, supposedly, or allegedly.

I just want to ask him and how much he had to do with it. I think really some things that bother me is the so-called "cooking the books" or politicizing intelligence reports and we have, unfortunately, a number of classified examples of where that has happened and I'm going to ask Mr. Gates either in public or in executive session what he was -- what his involvement was and why he would let some of that go on, if indeed he did.

Mr. FRANKEN: Senator Warner?

Senator WARNER: I've known Bob Gates for better than a decade and have worked with him very closely on a wide range of national security issues. He's an excellent choice. Bob Gates brings not only the expertise that he's gained through a career - - and he's given his life to this subject, intelligence, but he has the confidence of the president of the United States. Every morning our president, following the pattern of most presidents, starts his day with a briefing from the director of the CIA. Bob Gates will be in there; the president has confidence in him. And also Bob Gates can assure, I tell my dear friend, that the CIA will be given a full partnership at the round table of discussion on national security matters.

Senator DeCONCINI: The problem with that is that, to me, that's a company man and though the president has a right to appoint whomever he wants, it's important that this man really doesn't just present himself to the president, he's got all of the governmental agencies and secretaries that have jurisdiction of intelligence or the right to have intelligence, he's got the American people and he's got the Congress. So, he's got to have the confidence more than just the president, in my opinion, John.

Senator WARNER: Senator, that's the type of man we need at this critical point in our history. We've seen the Soviet Union-

Senator DeCONCINI: Well, I agreed with what Bill Webster--

Senator WARNER: I listened to you a minute, you listen to me. We've seen the Soviet Union go through a change of its political structure that none of us anticipated. Bob Gates perhaps came the closest to predicting these --

Senator DeCONCINI: Oh, quite the contrary, John.

Senator WARNER: Bear with me a minute. And that's the type of man we need at this time in our history, a man with the background and expertise in the Soviet Union --

Mr. FRANKEN: Let me -- Let's cover --

Senator WARNER: -- to guide us not only with our military and security decisions, but the economic ones.

Mr. FRANKEN: Let's cover that in just a moment, and I want to. But let's talk about the charge that's made against him and let's put it very bluntly, that Robert Gates is really a sycophant, will do whatever his superiors tell him to, and he's not an intelligence --

Senator WARNER: Do you think George Bush, having headed that agency himself in his own distinguished career, would pick a sycophant? The answer is no.

Mr. FRANKEN: The charge is yes.

Senator WARNER: Do you think that Dick Cheney and the Secretary of State Jim Baker would tolerate a sycophant? No.

Senator DeCONCINI: Well, in my opinion, that's one of the questions he has to satisfy, at least this senator, that he is not just a yes-man. And he's very charming and he's very bright, but that he's not just a yes-man, he's not going to do just what the president wants. And we have seen Mr. Casey come up here to the Congress and lie and the Congress plays a role in this, whether you like it or you don't. Senator Warner and I are on the oversight committee that is supposed to ask the questions and be briefed truthfully, totally.

Mr. FRANKEN: Let's take a break right now, but I want to find out from both of you whether you anticipate any surprises in

these hearings, when we return with more on "NEWSMAKER SUNDAY."

(Announcements.)

Mr. FRANKEN: Of course, one of the bonuses we get from a

hearing like this is that a confirmation hearing for director of central intelligence gives us a rare opportunity, a public opportunity to look into the murky world of espionage. So, it's in that spirit, Senators, that I ask you, starting with Senator Warner, can we expect any surprises here?

Senator WARNER: The answer is no. I've gone through the

records of our committee in some detail, and I wish to commend the staff, both majority and minority. The record is that thick, but --

Mr. FRANKEN: Does the public know most of this?

Senator WARNER: The public -- It will be shared. Some is classified. But Bob Gates is a man who stood by President --

several presidents throughout the crises that have this nation for the last decade.

Mr. FRANKEN: Senator DeConcini, when I asked that, you

disagreed.

Senator DeCONCINI: Well, I'm not sure that there's going to

be any big surprises unless the material is declassified. I can't talk about it. You know, that's a heck of a position to be in.

There's a lot of information there that, to me, no longer is of national security basis. I don't think it's anything that -- that

Gates can't address and respond to. He will have to in closed session, so I will get my answers and that's all I ask for.

Senator WARNER: Well, but either public or classified,

Dennis, all senators would have access to it, and they're the

ones that have to cast the votes.

Mr. FRANKEN: Of course, there's a larger audience here.

Senator WARNER: Let's not leave a suspicion there's some-

thing out there that's going to be kept from senators who have to make that decision.

Senator DeCONCINI: But see, the confirmation process is more than just the senators voting. It's a public confidence, must like it is on Thomas or anybody else, and that's the unfortunate problem with this type of a sensitive position.

Senator WARNER: Well, on that point I'd like to be heard. The Senate has really moved beyond what the constitutional framers asked of us in Article 2, which is the advise and consent. Our policy functions are in Article 1, where we work with the House, Dennis, on policy issues. Here our job is to determine not if he's the best qualified man in the whole of the United States, but did our president make a wise and judicious decision, and if he's the wrong man, and clearly he's not.

Mr. FRANKEN: Let me ask to clear up a point made by Senator DeConcini. Are you saying that in the classified material, whether it's declassified or not, in that material is material that's damaging to Robert Gates?

Senator DeCONCINI: Let me put it this way, as clear as I can. I think there's information there that Robert Gates should have to explain and he very well may be able to do it. I've read it and it doesn't -- It isn't a -- a loaded gun that's going to blow anybody out -- I don't want to leave anything that it's so surreptitious, but it's important information that he ought to have to explain to the public. So, if he is confirmed, there's a satisfaction in the public, not just the senators, that he has, in fact, been open and we know what it is. We'll never know some of this stuff, I suspect.

Senator WARNER: Well, I spoke with our chairman today and we will have the opportunity in the Intelligence Committee to look at all of the open and classified material, so that each senator can make a carefully and an informed judgment.

Senator DeCONCINI: And I've already looked at most of it.

Mr. FRANKEN: But look, there's always a public credibility problem that arises when much is kept from the public. Do you

feel that the senators should --

Senator WARNER: I don't think that we're going to keep anything from the public. Bear in mind, right now our president, George Bush, enjoys one of the highest ratings of public confidence of any president in history. He made the decision. George Bush has three individuals on whom he relies for his technical advice on security matters. His national security adviser in the White House, the chairman of the Joint Chiefs and the director of the CIA. He has occupied that position himself. He has better qualified I think than any president, having done the work, to make the decision. He's made it. And together with his secretaries of defense and state, he's got a strong team.

Mr. FRANKEN: This is not a vote on George Bush, this is a vote on Robert Gates.

Senator WARNER: It is a vote on George Bush. We're trying to --

Senator DeCONCINI: Well, I'll agree with you, John.

Senator WARNER: Some people are second-guessing his judgment.

Senator DeCONCINI: That's our job.

Senator WARNER: No, it is not. Our job is to determine not if he's the best man in the whole United States, but did George Bush make a mistake or did not make a mistake, and he did not make a mistake.

Senator DeCONCINI: And that's our job and you only do that by getting as much information out available. And I'm not saying that there's anything wrong with this man, but to put up some cloud, as my good friend from Virginia wants to do, that we should just rubberstamp --

Senator WARNER: We're not rubber-stamping.

Senator DeCONCINI: -- because George Bush sends him up here, that's just not the way the process was ever intended to work and you look at what the framers of our Constitution -- They

didn't put in the confirmation to rubberstamp, they put them in to see whether or not there was a third branch, the checks and balances, should have something to say about it, whether it's judiciary appointments, or cabinet appointments, or the CIA.

And here we're told just take George Bush. He was there, most popular president, accept it no matter what. I'm never going to do that.

Senator WARNER: Because see, Dennis doesn't want --

Senator DeCONCINI: I didn't do it when Carter was president and I'm not going to do it for Ronald Reagan or George Bush.

Mr. FRANKEN: Let me get to -- Let me interrupt --

Senator WARNER: What happened here, Democrats, having been deprived of the opportunity to work in the executive branch, are trying to move over under Article 2 and seize powers that the executive branch has.

Mr. FRANKEN: That's an old argument, but let me --

Senator WARNER: And it's a good one.

Mr. FRANKEN: But let me get to the substantive argument about whether or not Robert Gates was the one who was most right about the Soviet Union. You believe that he was, in fact, the one.

Senator WARNER: Yes. I've gone back and studied it. I don't think anybody could have predicted everything that transpired here in the last 30 or 40 days, but he did, early-on, in some of his papers. Some of his papers being really -- He was told not to say it publicly by certain members of the cabinet for fear that he was getting out too strong. Now is the time we need the wisest and the most expert person on the Soviet Union right there by the side of the president.

Mr. FRANKEN: And Senator DeConcini, we have just a few seconds.

Senator DeCONCINI: Well, you -- I can debate that for a long time. I don't hold it against him that he made a mistake. I

problems of the congressional intelligence oversight committees:

Mr. BARGER: I think what they said reflects some of the

week. What did you think about what they were saying?

senators give us what amounts to a preview of the hearing next
Brian, let's start with you. You just watched the two

Brian Barger, of CNN's Special Assignment Unit.

University's Washington Center of International Journalism, and

Scott Armstrong, currently a visiting scholar at The American

Franken, in Washington. Joining us now are investigative reporter

Mr. FRANKEN: Welcome back to "NEWSMAKER SUNDAY." I'm Bob

(Announcements.)

Brian Barger of CNN's Special Assignment Unit.

joining us. Next, investigative reporter Scott Armstrong and

Thank you very much for being with us. Senators, thank you for

Mr. FRANKEN: And we're going to have to take a break here.

the economic spying of some of these nations --

gence responsibilities which he will perform. I'm concerned about

Senator WARNER: We're losing sight of the broad intelli-

Union. I don't hold that against him, Bob.

don't think he's an expert that he's put up to be on the Soviet

Senator DECONCINI: I don't think it's a plus or a minus. I

it's a minus.

his record on the Soviet Union is a plus for him, you're saying

Mr. FRANKEN: We're running out of time. You're saying that

lot of us are.

that he can't be CIA director, but he's no more an expert than a

Yeltsin and the democratic process there. Now that's not enough

He obviously didn't understand the fundamental underpinnings of

that Gorbachev's going to get thrown out turned out to be wrong.

consider myself an expert. But to make a statement and to predict

and he doesn't speak the language. I don't either, so I don't

expert. The first time he went over there was 1989, I believe,

made mistakes on the Soviet Union, but he's supposed to be the

They get bogged down in classified information. I think the real questions involved in the Gates nomination are out there on the public record. Gates has testified under oath on four occasions about what he knows about Iran-contra and I think that this is the basis of most of the questions he's going to be facing, and I think there are going to be some very stuff questions.

Mr. FRANKEN: Scott, do you believe that Iran-contra is going to be where it's won or lost?

Mr. ARMSTRONG: I don't think so. I think that the Iran-contra record is pretty clear, as Brian points out. There's enough information in the Iran-contra record for them to keep -- to embarrass over the entire period that he's testifying. I don't think that's what they want to do and I don't think that's what's going to happen. I think there are some hurdles he has to get over.

The underlying question in Iran-contra though is about whether or not they can rely on him to be candid with them, whether he can restore the faith in the intelligence committee. I think Senator DeConcini made a reference to that. This is really a confirmation hearing not just about Gates, but a confirmation hearing of the CIA. The CIA role is going to change dramatically, dramatically in the next decade or so and that change is beginning right now.

Mr. BARGER: But they all have a vested interest in that.

Mr. FRANKEN: But before we depart from Iran-contra, Senator Metzenbaum earlier in the week, as you know, suggested that there should be a delay. And his argument was that Robert Gates is right now a subject of a grand jury investigation. Meaning he's not a target, and I don't think we need to go into that differentiation. But the possibility exists, according to Senator Metzenbaum, that Gates could get implicated after he is approved by the Senate, thereby embarrassing the senators; therefore, there should be a delay. What do you think of that proposition?

Mr. BARGER: That's really a problem for President Bush because Robert Gates has testified under oath, saying basically that he was out of the loop, he was kept in the dark. At one point, he said he actively shunned information about how the contras were funded. Well, we found out recently that Robert Gates was actually appointed in May 1986, several months before the Iran-contra scandal broke, to head a senior interagency group to oversee contra aid. This was in anticipation of Congress resuming legally approved military aid for Nicaraguan rebels.

Gates was working on this group with Oliver North, Alan Fiers, several officials who were involved in an illegal pipeline of weapons to the contras.

Mr. FRANKEN: And I'm glad you brought up Alan Fiers. Alan Fiers is going to be one of the witnesses before the committee; Clair George probably won't be, the way things are looking right now. But is Alan Fiers maybe just going to knock the legs right from under the table?

Mr. ARMSTRONG: No, I think the allegation that underlies Fiers' involvement here is that the Iran-contra affair was not done by a few people outside of government or just a few people from the inside cooperating with them. It now appears that the CIA was more heavily involved. And as it became involved, the claim that Gates and others make is that it was a compartmented, a closed-off operation run by the director of Central Intelligence, Bill Casey.

That statement is credible up to a point, but as more and more people begin to testify, as they begin to open-up the question about what should the number two men, the person who really ran the agency on a day-to-day basis have known about, the real underlying question is once he had suspicions, and somebody came to him once and said that somebody's blackmailing Bill Casey, should he have done something with those suspicions, including going to the Congress of the United States.