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2

CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D. C. 20505

PUBLIC AFFAIRS

STAT Phone: [redacted]

5 March 1986

J Bill Gertz
THE WASHINGTON TIMES
3600 New York Avenue, N.E.
Washington, D.C. 20002

Dear Bill:

A While the detailed biographic information on Deputy Director for Intelligence Bob Gates, the President's nominee to be John McMahon's successor as Deputy Director of Central Intelligence, was made available to the media by the White House last evening, you may not have obtained a copy. I am, therefore, enclosing one of our own, the one which the White House drew on in composing its statement. It is for your use as you see fit.

Bob Gates is a distinguished Agency career officer and public servant who served the Nixon and Ford administrations in the White House, not just the Carter administration as you stated in your article today. Our officers are apolitical and serve impartially whatever administration is in power. Some of us, for example, have served every president from and including Harry Truman to date.

In your next article on this subject, I hope you will let your readers know those facts and will inform the public about Gates' outstanding multifaceted career. Bob Inman knows. Check with him.

Sincerely,

[redacted] STAT

George V. Lauder
Director, Public Affairs

Enclosure

Approved For Release 2005/12/14 : CIA-RDP91-00901R000600190024-9

Approved For Release 2005/12/14 : CIA-RDP91-00901R000600190024-9

ARTICLE APPEARED ON PAGE 13A
NEW YORK TIMES
5 March 1986

Top C.I.A. Aide Quits; New Official Is Named

Special to The New York Times

WASHINGTON, March 4 — President Reagan today accepted the resignation of John N. McMahon, the second-ranking official at the Central Intelligence Agency, and replaced him with Robert M. Gates, the agency's Deputy Director for Intelligence.

The White House said in a statement that Mr. McMahon, a 34-year veteran of the agency, was leaving effective March 29 for personal reasons.

In a letter to Mr. Reagan, Mr. McMahon said only that he had "reached a stage where I should move on."

Officials said that Mr. McMahon, 56 years old, has been talking about retiring from the agency for more than a year. He has held the post of Deputy Director of Central Intelligence since June 1982.

Members of the House and Senate Committees that oversee the C.I.A. have said they could trust Mr. McMahon, an experienced intelligence officer who had spent his entire professional career with the agency.

Since 1982, Mr. Gates has headed the agency's intelligence directorate, the part of the C.I.A. that analyzes all of the information gathered by American intelligence agencies. His nomination is subject to Senate confirmation.

After joining the agency in 1966 as an intelligence analyst, Mr. Gates worked on strategic arms issues. In 1974, he was named to the staff of the National Security Council, where he served before returning to the C.I.A. in 1980 as an aide to Adm. Stansfield Turner, President Carter's Director of Central Intelligence. He later became the national intelligence officer for the Soviet Union.

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Approved For Release 2005/12/14 : CIA-RDP91-00901R000600190024-9

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ON PAGE 1-A

WASHINGTON TIMES
5 March 1986

No. 2 man at CIA quits under attack

By Bill Gertz
THE WASHINGTON TIMES

John N. McMahon, the No. 2 man at the CIA, has resigned as deputy director of the agency and will be replaced by Robert Gates, the White House announced yesterday.

"I don't think there's anything sinister about it," said David Holliday, a spokesman for the Senate Intelligence Committee, which was notified of the resignation Monday.

"I think it was his choice and as far as the committee is concerned, he wasn't kicked out or cashiered for some great indiscretion," Mr. Holliday said.

A 35-year CIA veteran, Mr. McMahon, 56, has been under public attack from conservative groups that say he opposes covert military aid to Afghanistan, Mr. Holliday said.

Other intelligence sources said Mr. McMahon, whose resignation is effective March 29, stepped down for personal reasons.

Mr. McMahon also ran athwart of National Security Council officials by opposing a CIA plan to strengthen its internal counterespionage controls with an overseas counterintelligence program, according to an administration intelligence source.

Mr. Holliday said the committee has not yet scheduled hearings on the nomination of Mr. Gates, now the CIA deputy director for intelligence and formerly a Carter administration national security official. Mr. Reagan has approved the Gates nomination and it is expected to be sent to Congress shortly, the White House said.

A CIA spokesman declined to comment on the resignation.

A senior administration official, who declined to be named, said Mr. McMahon had become "extremely testy" over public criticism that he had mishandled the administration's multimillion dollar program of covert military aid to Afghan guerrillas.

White House dissatisfaction with Mr. McMahon had reached White House chief of Staff Donald Regan who since last November has received more than 10,000 letters from conservatives opposing Mr. McMahon on the Afghan aid issue, the official said.

Another administration intelligence source said Mr. McMahon resigned in a policy dispute over covert aid to Afghanistan and Nicaragua. He oppposed the clandestine services plans because he said they could not be sustained properly with political and financial support, the source said.

In part, the McMahon controversy resulted from reports that in a 1980 memo he had opposed administration plans to supply covert military aid to Afghanistan guerrillas opposing the Soviet invasion in late 1979.

Last fall, Mr. McMahon traveled to Afghanistan for a week-long visit to Mujahideen rebel training camps, said the official who added that the trip had been taxing physically for the deputy director.

The official described Mr. McMahon as "a textbook purist" on intelligence policy who favored the use of secret intelligence collection, but who opposed covert action as too risky since its exposure could jeopardize U.S. agents and efforts by the intelligence community to secure adequate funds from Congress.

At a recent public meeting, Mr. McMahon took exception with a question over whether he had opposed or mishandled the Afghan aid program.

"I've been one of the biggest supporters of aid to Afghanistan," Mr. McMahon said. Pressed for details, he said "I can't discuss it because it's a covert program."

Mr. McMahon could not be reached yesterday for comment on the resignation.

Last October, two conservative groups held a press conference and called for Mr. McMahon's ouster over the Afghan aid controversy.

The Federation for American-Afghan Action and Free the Eagle, charged that Mr. McMahon had failed to ensure that an estimated $342 million in military aid authorized by Congress since 1981 was getting through to the Afghan guerrillas.

They charged that corruption among Afghan officials prevented more than two-thirds of the weapons deliveries to reach the rebels and that the weapons were militarily ineffective.

Andrew Eiva, director of the Federation for American-Afghan Action, said yesterday that Mr. McMahon had opposed covert aid to Afghan gurrillas since 1980. He charged that Mr. McMahon twice attempted to block congressional legislation on military aid to the rebels.

"Even before McMahon's role surfaced there was an awareness in the land that something was rotten with regard to our Afghan policy," Mr. Eiva said yesterday. "The rhetoric is there, the money is there, the congressional support is there, but the effective aid and delivery was not there," he said. "There was a major breakdown and McMahon provided a lightning rod for criticism."

A senior administration intelligence official defended Mr. McMahon's role in the Afghan aid program and said the criticism resulted from CIA-inspired efforts to mask the agency's role in supplying arms. The CIA told Afghan rebel leaders to state publicly that few arms were reaching the Afghans in order to mask U.S. involvement, the official said.

Staff writer Mary Belcher contributed to this story.

John N. McMahon

Approved For Release 2005/12/14 : CIA-RDP91-00901R00 0024-9

Approved For Release 2005/12/14 : CIA-RDP91-00901R000600190024-9

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WASHINGTON POST
5 March 1986

CIA Deputy Chief McMahon Resigns

Departure May Clear Way for More Active Policy in Third World

By David B. Ottaway
and Patrick E. Tyler
Washington Post Staff Writers

John N. McMahon, the Central Intelligence Agency deputy director who has opposed the Reagan administration's expansion of covert paramilitary operations in Third World conflicts, is resigning from the agency, the White House announced yesterday.

The announcement said that Robert M. Gates, 42, the CIA's deputy director for intelligence, would take over from McMahon, 56, who it said is resigning "for personal reasons" after 34 years with the agency.

In a Feb. 24 letter to President Reagan, McMahon said he thought he had "reached a stage where I should move on" despite "mixed emotions" about leaving the agency. His resignation is effective March 29.

Administration sources said McMahon made his decision last week as an interagency group in charge of covert operations decided on a significant escalation of four paramilitary operations. The sources would not specify the countries involved but indicated that they were mentioned in recent administration statements—Afghanistan, Nicaragua, Angola and Cambodia.

McMahon was known in particular for questioning the U.S. policy of growing involvement in, and support for, anticommunist insurgencies in Nicaragua and Afghanistan.

The departure of McMahon—who came up through the ranks, worked in the U2 spy plane program in the early 1960s and later headed the agency's clandestine service—clears the way for a more activist policy of CIA intervention that the agency's director, William J. Casey, has been promoting.

McMahon opposed increased U.S. involvement in Third World conflicts that he believed could not be politically sustained at home over a long period. To many both in and outside the CIA, he has become the agency's conscience, seeking to protect it from the kind of controversial activities and "dirty tricks" that led in the mid-1970s to scandal, public criticism and painful congressional investigations.

McMahon's opposition to CIA paramilitary operations was mostly played out inside the agency, to which he is intensely loyal. But in one unusual episode in the spring of 1980, sources said, McMahon wrote a classified memorandum to President Jimmy Carter arguing against covert support for Afghan rebels opposing the Soviet invasion of Afghanistan in December 1979.

McMahon took a similar position in opposing the expanding U.S.-backed paramilitary operation against the Sandinista government in Nicaragua. Sources said he was on the losing side in the battle to prevent the president and his top national security affairs advisers from requesting an unprecedented $70 million in covert military aid to reinvigorate the antigovernment rebels fighting the Sandinistas from bases in Honduras.

One source said McMahon was distressed that this year the CIA had passed a milestone at which the agency's budget for covert operations surpassed that for traditional espionage and clandestine collection of intelligence.

Moreover, McMahon was described as "increasingly testy" over the growing role of the Defense Department in developing its paramilitary capabilities for covert operations, a development he viewed as an encroachment on the CIA's turf. A legislative proposal now circulating in congressional offices would establish a $500 million "freedom-fighter" fund under the control of Richard N. Perle, assistant secretary of defense for international security policy.

McMahon's stand against expanding CIA paramilitary activities because of what he regarded as a long-term threat to the agency's traditional functions of intelligence collection and analysis earned him the ire of conservative political action groups, which launched a campaign last October to have him ousted.

John Houston, vice president of Free the Eagle, which with the Federation for American-Afghan Action led the campaign, said that "over 10,000" letters demanding McMahon's resignation had been sent to the White House.

"We take credit for this," Houston said.

The two groups have been pressing for an appointment with White House chief of staff Donald T. Regan, and one administration source said he has agreed to a meeting.

Despite his well-known policy differences with Casey, in his letter of resignation McMahon went out of his way to praise the CIA director as "a unique asset" who brought "wisdom, energy and leadership" to the agency and "provided our country with an intelligence capability second to none."

"While I admit that I do not leave the intelligence world without mixed emotions," McMahon wrote, "it is gratifying to leave it on a high and in such good hands."

Gates, McMahon's successor, is a specialist in Soviet studies who served in the late 1970s as chief intelligence officer on the National Security Council. While personally close to Casey, Gates is not thought to have experience in covert operations.

A CIA employe since 1966, he has served mostly as a senior analyst and administrator and has been involved publicly in the agency's recent attempts to reestablish its ties with the academic community.

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