

NOMINATION OF JOHN N. McMAHON

HEARING
BEFORE THE
SELECT COMMITTEE ON INTELLIGENCE
OF THE
UNITED STATES SENATE
NINETY-SEVENTH CONGRESS
SECOND SESSION
ON
NOMINATION OF JOHN N. McMAHON TO BE DEPUTY
DIRECTOR OF CENTRAL INTELLIGENCE

MAY 26, 27, 1982

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(II)

CONTENTS

WEDNESDAY, MAY 26, 1982

	Page
Opening statement of Chairman Goldwater.....	1
Statement of Senator Moynihan.....	2
Statement of John N. McMahan.....	2
Statement of Senator Chafee.....	5
Statement of Senator Leahy.....	6

THURSDAY, MAY 27, 1982

Opening statement of Chairman Goldwater.....	8
Prepared statement.....	9
Statement of Hon. Charles McC. Mathias, a U.S. Senator from the State of Maryland.....	9
Statement of Senator Moynihan.....	10
Prepared statement.....	10
Statement of Senator Huddleston.....	12
Prepared statement.....	12
Statement of Senator Roth.....	13
Statement of Senator Leahy.....	13
Testimony of John N. McMahan.....	14
Financial statement.....	16
Ethics Committee report.....	36
Statement of Senator Inouye.....	36
House support.....	38
Letter to Senator Goldwater from Congressman Boland.....	38
Letter to Senator Goldwater from Congressman Robinson.....	39
Statement of Senator Wallop.....	39
Prepared statement.....	41
Committee Questioning.....	43
Duties of Deputy Director.....	50
Recruitment Process.....	51
FOIA Legislation needed.....	52
Sharing of Information.....	52
Thorough Background Review.....	53
Statement of Senator Biden.....	54
Prepared statement.....	54
Statement of Senator Bentsen.....	57
Statement of Senator Chafee.....	57
Unanimous approval.....	57

(iii)

NOMINATION OF JOHN N. McMAHON TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

WEDNESDAY, MAY 26, 1982

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, D.C.

The committee met, pursuant to notice, at 10:32 o'clock a.m., in room S-407, the Capitol, the Honorable Barry Goldwater (chairman of the committee) presiding.

Present: Senators Goldwater (presiding), Chafee, Moynihan, Huddleston, Jackson, and Leahy.

Also present: Rob Simmons, staff director; Abram Shulsky, minority staff director; Victoria Toensing, majority counsel; Peter Sullivan, minority counsel; Dorthea Roberson, clerk of the committee; and Dan Finn, Herb Kline, John Elliff, Ed Levine, William Working, Sam Bouchard, Michael Mattingly, Ellen Burkhardt, Robin Cleveland, Diane Branagan, Stephen Flanagan, Jean Evans, Evelyn Chavoor, Dan Childs, Spencer Davis, Tom Connolly, Gary Schmitt, Angelo Codevilla, Larry Kettlewell, Michael Epstein, Ed Brynn, Bob Butterworth, Lot Cooke, and Ben Marshall, staff members.

OPENING STATEMENT OF CHAIRMAN GOLDWATER

The CHAIRMAN. The meeting will come to order.
I have a short statement.

The Senate Intelligence Committee is meeting today in closed session to consider the nomination of John N. McMahon to be the Deputy Director of Central Intelligence.

This is a very important position and first off, I would like to congratulate you, Mr. McMahon.

Mr. McMAHON. Thank you, Mr. Chairman.

The CHAIRMAN. For being nominated to this high position in the intelligence community. I understand you joined the CIA in 1951 as a GS-5. You have been kind of busy since then.

Mr. McMAHON. Yes, sir.

The CHAIRMAN. John McMahon has had a very distinguished 31-year career with the CIA. The purpose of today's closed hearing is to give the committee a chance to review his career in detail without compromising sensitive sources and methods or classified information. Tomorrow we will have an open session beginning at 10:30 a.m. in room 5110 of the Dirksen Building, where the public and press will have a chance to look at him and hear him speak.

Because we will have to be a bit more careful about what we say tomorrow, I would urge my colleagues to ask all their sensitive questions today. Also, if any members have detailed questions regarding

covert action, I would ask that they hold them until the end of today's session and we'll clear most of the staff before asking him to respond to these questions.

John, we won't ask you to give your formal statement today unless you want to practice it.

Mr. McMAHON. No, sir, that's fine. I pass.

The CHAIRMAN. I think it is best that we just start off with our questions unless you or one of my colleagues would like to say a few words. Pat?

STATEMENT OF SENATOR MOYNIHAN

Senator MOYNIHAN. Well, thank you, Mr. Chairman.

I think it would be helpful to hear Mr. McMahon for a bit, if he would just talk about this assignment. It is not the culmination but it certainly is, for a career intelligence officer, there is only one position higher that you could hold, and in normal circumstances the highest position you could aspire to would be the Deputy position.

I wonder if I could ask you two things randomly. First of all, how do you think things are going and what would you plan to do differently at the Agency and in the community, and then I would like you to talk about your sense of the relations that you expect to have with our committee and our counterpart with the House.

I don't mean to press you, but I think it would be—I just would be interested to hear you.

STATEMENT OF JOHN N. McMAHON, NOMINEE TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

Mr. McMAHON. Yes, sir, I would be happy to respond to that.

I think that the community is on a footing right now which shows great promise. As you recall, Admiral Inman was very instrumental in devising and also selling both in the executive branch as well as in the Congress the 1985 capabilities study which laid out for the first time in the intelligence community a roadmap of where we ought to go. That study addressed what we estimated would be the problems confronting the intelligence community in the outyears, 1985-90, then assessed our capabilities to meet those problems and out of that correlation came where the gaps were. And those gaps drove the various program managers in the intelligence community to build a request for resources to address them.

So I think we now have a roadmap and a yardstick by which to work, and we are satisfied that we have a fair appreciation of the intelligence problems which will be confronting us, what our policy-makers will be seeking from us, and we can build accordingly.

I think the morale throughout the intelligence community, and particularly in CIA, is very high at the moment. As far as my ability to assess all that, I think I have a fair, broad background to address all aspects of the intelligence problem, and that stems not only from my exposure in the Agency in all four directorates within the Agency, but also the experience I have encountered in the IC staff, first as the Deputy to Admiral Murphy when he was the Deputy DCI for the intelligence community, and then afterward for almost a year as the Acting Deputy to the DCI for the intelligence community. And in that phase I was able to get a fair appreciation of the military

needs that confront us as well as the needs of the overall policymakers, both in the economic and political side of the house, as well as the military.

So my background as depicted on my vitae does suggest that I should be well equipped if I have prospered and waxed well and strong in those positions to address the problems which will confront a Deputy Director of Central Intelligence.

Senator MOYNIHAN. And you say morale is good in the community? Did it take—were there troubles? Good compared to what?

Mr. McMAHON. Yes, sir. If you take a look at the record throughout the entire intelligence community, the past 10 years have been a draw-down. It has been a drawdown of manpower and dollar resources so that the constant dollar line was always down.

If you took, for instance, just our operational directorate in CIA, [classified testimony deleted].

And the CIA as well as the other members of the intelligence community were constantly on the defensive to argue why they should exist because the resource crunch was always upon us. That fact, plus the—

Senator MOYNIHAN. If I could just interrupt just in a friendly way, there wasn't any resource crunch in those years. People were just—the decision was made to give less money to the Agency.

Mr. McMAHON. Yes. As far as the intelligence agencies were concerned, we didn't have the resources, and as a result, the program managers, and in fact, any manager within the intelligence community was constantly confronted with a tradeoff. When a crisis came up or another higher priority intelligence need came up, he had to take resources from one good thing and put it on that new one, and that has a debilitating effect on a manager who wants to try and cover all the bets that he feels are important.

We also felt that because we were in a downward trend, in a retrenchment, that no one liked intelligence, and you can well recall, Senator Moynihan, that we did go through some very dark ages in the 1974-75 timeframe, and that had a lasting effect and a very chilling effect among our people and when that was coupled with not having enough resources to do the job that we saw should be done, then that had a morale impact, and as you recall out at the Agency, we did have this RIF and that further sent a chilling effect throughout the Agency.

So the Agency indeed was down in 1978, and I think since then we have begun a rebuild, and a great deal of credit for that rebuild belongs to Congress because Congress led the charge to give the resources, both manpower and money, to the Agency and to the intelligence community to start that rebuild, and we now have been blessed in the last fiscal year, and it looks like from all indications, out of our authorizing committees, for the next fiscal year, a rebuild which will begin to put us back on track.

And that confidence which Congress has shown to us has been a great boost in the morale and the spirit of people in the intelligence community.

Senator MOYNIHAN. I am glad you think that. I mean, it is at least arguably the case that the Intelligence Committee has provided a

relationship which has enabled this to happen, one in the absence of which might not have happened.

Mr. McMAHON. Yes, sir.

I failed to answer another question that you raised, Senator, and your comment reminded me of that, and that is the relationship of the oversight which I feel is essential to any organization that must conduct its activities in secret. I think the American people deserve that, but more importantly, the agencies deserve that. I for one, as an individual who has had to testify before the oversight committees, drew a great deal of comfort knowing that I was sharing with them, with the representatives of the American people, our programs and what we were up to, and that comfort was derived not only from the beauty that exists in that coexistence between the two branches, but more importantly, it was a protection. It was a protection to me as an individual and it was a protection to the institutions to know that Congress was a joint partner in these programs.

And I feel that oversight is a vital part of our existence in the intelligence world and welcome it. In fact, I was mentioning to the staff director the other day that back in 1963 or 1964 when I was at a far lower position in the Agency, I suggested that the Agency seek an oversight committee and I did it not for the comfort of oversight—in fact, oversight did not even cross my mind in the manner in which I know it today—but what I was looking for was an advocate because we had no one beating the bushes up on the Hill for us. We were left without a father, so to speak, and I wanted an oversight committee much like the Joint Atomic Energy Committee, so that someone up on the Hill who understood and appreciated us could carry our message to the rest of Congress.

Senator MOYNIHAN. Well, that is a very reassuring thing to hear.

As you know, you are in the former hearing room of the Joint Committee on Atomic Energy. There are no windows where Russians can spy on us.

Mr. McMAHON. Yes, sir.

Mr. MOYNIHAN. One last question, if I can, Mr. Chairman, Senator Chafee, Senator Huddleston.

Could I ask you, sir, knowing how you feel on the value of this relationship and how you feel about some of the results, you know that on our part it is in some sense a dependent relationship. We have to be able to believe that everything that we need to know you will tell us. We have no independent sources of information. We have to trust—we have to have a relationship of trust which in fact is warranted. And that is the most difficult thing to be sure of. We have a responsibility which at some levels we don't have fully the capacity to carry out, only to make judgments about, and sort of the nodal points in this process are when persons such as yourself and Mr. Casey come along and are appointed, and I would like to put to you then this question.

Can this committee count on your sense of responsibility as deputy in this whole system, as the No. 2 man in American intelligence? Can we feel that if you ever learned that wrong information is being given to this committee either by superiors or inferiors, that the committee is being misinformed or misled—that can mean two different things, people telling us things that are not so, who are not themselves

necessarily aware that they are not so, but also persons telling us something that they know not to be the case but they are not being forthright, wishing in fact to mislead—would you consider it a matter of personal honor and professional responsibility to tell this committee that that was happening?

Mr. McMAHON. Yes, sir, under both circumstances, under both provisions, I should say, as a personal obligation as well as a professional one. I cannot imagine anyone in the intelligence community in a position of responsibility ever attempting to mislead or misconstrue facts or events to Congress. To me that is anathema to our way of life, and if it did happen, I would think that it was done out of oversight and feel totally free to correct the record.

Senator MOYNIHAN. Fine. I thought that would be your answer.

I just want to make one final thought, and that is it is not your job and ought never to be your job not to imagine something bad happening.

Mr. McMAHON. I stand corrected, Senator.

The CHAIRMAN. John?

STATEMENT OF SENATOR CHAFEE

Senator CHAFEE. Thank you, Mr. Chairman.

I would like to pursue that thought a bit, Mr. McMahan. Our problem, as you realize, perhaps, is that we are up here supporters of the Agency, anxious to see it succeed in its job, but to a great degree, to a tremendous degree dependent upon what you tell us. People say is anything going on out in the Agency that is contrary to law now, and I firmly answer no, that we are staying on top of things. But we are staying on top of things because we meet with you and the Director and others frequently, but if we are being deceived or misled or—and those always are possibilities, but the more likely possibility, it seems to me, is neither of those but just not being given full information, not being given bad information, but just not being given enough information, and if that should occur, we really are out on the end of a limb, a limb which, if sawed off, will take us down, but I guarantee it will take you with us.

And so it is of tremendous importance that you tell us the good and the bad. We don't expect everything always to be going right over there. We expect problems. We have had those experiences. We know that. And as long as we know, we will do our best, obviously, to work with you and solve all the problems.

So that is what we really have to have from you in your position, complete candor with us up here.

Mr. McMAHON. I certainly subscribe to that, Senator Chafee, and will abide by the instructions to keep Congress fully and currently informed.

I can see that the only failings there might be are ones of judgments, certainly not intent.

Senator CHAFEE. Now, how do you address the problem that some associated with intelligence activities for some time raise that for the first time—you can correct me, I may be wrong, but we now have two civilians in the top jobs as opposed to the traditional—and I'm not say-

ing it's always been so, but the usual form of having a civilian and a military in the two top jobs.

First the question is have they ever had two civilians before?

Mr. McMAHON. Yes, sir, when the Vice President, George Bush, was the DCI, his Deputy was a CIA civilian, Hank Knoche. I believe that tenure was somewhere between 6 months and a year.

Senator CHAFFEE. But outside of that, it has always been—

Mr. McMAHON. Either a military or retired military in one of the jobs.

Senator CHAFFEE. Now, how do we handle the suggestion that it is not wise to deviate from that system? Why are you any different?

Mr. McMAHON. Well, I think Congress in its wisdom, back in 1947, suggested that the Agency could have two civilians in the top but not two military, and I am quite pleased with that foresight that Congress had. [General laughter.]

The greatest concern and problem I see there, Senator Chafee, is with the operational military. The operational military commander in the field has to have confidence that someone back in the DCI arena is worried about his concerns and his needs. Now, fortunately I have been exposed to them for a number of years. I have been in national programs beginning in 1959 which involved me very deeply in not only military operations but also the requirements by which we were driven to conduct those operations. And so I have an appreciation of what the military needs are. And that appreciation was further honed during my tenure in the IC staff when the needs of the theater commanders were very much in the forefront of our national programs and I would venture to say, if you look at our technical collection systems [classified testimony deleted].

So I for one am confident I can represent the military requirement. I have also, as a result of the President's nomination, received a host of laudatory congratulations from military commanders and particularly military intelligence officers, and I have to feel that those congratulations are genuine, and therefore they feel that I will represent their interests. [Classified testimony deleted.]

STATEMENT OF SENATOR LEAHY

Senator LEAHY. I'll withhold that question.

Let me ask one basic question, and I would prefer doing this in a closed session rather than out in the open, I mean this type of a closed session because it is the sort of question that simply by asking it I can see the heyday the press may have, and I have no problems with Mr. McMahon's credentials. I think they are very significant ones. In fact, when you look at his background I am constantly impressed that we have people within our Government who with all the other problems of Government service, even outside an agency like the CIA and adding on the further difficult problems of lifestyle and everything else that go with the Agency, I think we are very fortunate to have people who will have a background like yours, that are willing to stay, certainly not for either fame or fortune, I might say, but out of a sense of loyalty to the country, and to stay and to develop that kind of background.

Mr. McMAHON. Thank you, Senator.

Senator LEAHY. And I think certainly a number of people that you know in your Agency we could say the same about.

Mr. McMAHON. Yes, sir.

Senator LEAHY. The question I have is, in your position as Deputy Director of CIA you are going to have to be in a unique position of policymaking and carrying out policy, but also the political one of having to deal with our committee and the House committee and the kind of unique oversight that we have created during the past few years.

If you are aware that others in the CIA, whether the Director of the CIA or anybody else, had given us misinformation, either intentionally or negligently on matters that come within our jurisdiction, would you correct the testimony that had been given to us?

Mr. McMAHON. Yes, sir, I would either correct it or cause it to be corrected by those who gave the erroneous information.

Senator LEAHY. Whether that was given by somebody over or under you?

Mr. McMAHON. I can't imagine anyone over me doing that. I can't imagine anyone doing that purposely, but I would certainly correct the record.

Senator MOYNIHAN. If you recall my remark, I asked a parallel question, if I could ask the Senator to yield for a moment, and Mr. McMahon said he couldn't imagine such a thing happening, and I said that he is not in the business of not imagining bad things happening. That is sort of asking it the other way around.

Mr. McMAHON. I would correct the record, Senator.

Senator LEAHY. I don't mean to embarrass you or anybody else in asking the question, but it is one that is essential.

I might say, incidentally, I would ask this question of anybody up for confirmation in this position, whether in this administration, subsequent administrations as long as I am on this committee, irrespective of who is Director of the CIA or anybody else, I will ask this same question of somebody coming for confirmation as Director or as Deputy Director, and the question will be asked by me as long as I am on the committee, so I don't intend to single out you or anybody else in asking it.

Mr. McMAHON. I don't think an oversight committee can expect anything less.

Senator LEAHY. I agree with you.

Thank you, Mr. Chairman.

Senator MOYNIHAN. Senator Jackson.

[Classified testimony deleted.]

[Whereupon, at 11:22 a.m., the committee recessed, to reconvene immediately for the consideration of other matters.]

[Classified testimony deleted.]

Senator MOYNIHAN. I think you are going to make it tomorrow. We will go over a good deal of this ground in a somewhat sanitized way, but I hope you will be prepared, on issues of your philosophy, on service in the intelligence community, to speak with the candor that you have spoken today.

Mr. McMAHON. Yes, sir.

Senator MOYNIHAN. I think that will be good. It will be good for the Agency.

Mr. McMAHON. Thank you, Mr. Chairman.

[Whereupon, at 12:14 p.m., the committee recessed, to reconvene in open session at 10:30 a.m., Thursday, May 27, 1982.]

THURSDAY, MAY 27, 1982

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, D.C.

The committee met, pursuant to notice, at 10:29 a.m., in room 5110, Dirksen Senate Office Building, the Honorable Barry Goldwater (chairman of the committee) presiding.

Present: Senators Goldwater (presiding), Moynihan (vice chairman), Chafee, Wallop, Roth, Huddleston, Biden, Leahy, and Bentsen.

Also present: Rob Simmons, staff director; Abram Shulsky, minority staff director; Victoria Toensing, majority counsel; Peter Sullivan, minority counsel; Dorthea Roberson, clerk of the committee; and professional staff members.

OPENING STATEMENT OF CHAIRMAN GOLDWATER

The CHAIRMAN. The meeting will come to order.

The Senate Intelligence Committee meets in open session today to consider the nomination of John N. McMahon to be Deputy Director of Central Intelligence.

With 31 years of service in the Central Intelligence Agency, Mr. McMahon certainly has the background to do a good job. I believe that he is a top-notch professional who is highly regarded within the intelligence community. His nomination should have a positive effect on morale within this community.

All of Mr. McMahon's working life has been spent at the CIA where he accumulated a distinguished record. During that time he served in all phases of CIA operations including top jobs in electronic intelligence, technical services, administration, operations, and analysis.

John, you will have a tough job because you will be replacing an unusual man in Admiral Inman whom I consider to be one of the best intelligence officers I have ever known. We were lucky to have Admiral Inman. Nonetheless, I am pleased that someone with your qualifications and experience has been nominated for this post.

You have been before us previously to testify on different things, so you are no stranger to us. Yesterday you testified before our committee in closed session on a number of sensitive intelligence issues which we could not address in open session. You were very candid in that session. I have no doubts that we can expect a good relationship with you in the future as DDCI, to the benefit of our people and of the country.

John, would you please stand? You have to be sworn in.

Raise your right hand.

Do you swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. McMAHON. I do.

The CHAIRMAN. Please be seated.

I believe Senator Mathias would like to introduce you. That will have no deleterious effect upon your nomination. [General laughter.] Mac, you can go ahead.

Senator MATHIAS. That is the first time that Senator Goldwater has ever endorsed a note for me.

The CHAIRMAN. Well, that is all right. I will not say any more. You can introduce John.

[The prepared statement of Chairman Barry Goldwater follows:]

PREPARED STATEMENT OF CHAIRMAN BARRY GOLDWATER, A U.S. SENATOR FROM THE STATE OF ARIZONA

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You have been before us previously to testify on different things, so you are no stranger to us. Yesterday, you testified before our Committee in closed session on a number of sensitive intelligence issues which we could not address in open session. You were very candid in that session. I have no doubts that we can expect a good relationship with you in the future as DDCI, to the benefit of our people and of the country.

Congratulations on your nomination.

John, this is a solemn occasion and before you begin your statement, I would like to swear you in. (Do you swear to tell the truth, the whole truth, and nothing but the truth, so help you God?)

Now you may begin your statement unless one of my colleagues, or Senator Mathias, would like to say a few words. I understand that Mac wants to introduce you because you live in the fine State of Maryland.

STATEMENT OF HON. CHARLES McC. MATHIAS, A U.S. SENATOR FROM THE STATE OF MARYLAND

Senator MATHIAS. Thank you, Mr. Chairman.

I think it is no secret to the chairman or to other members of the committee that I personally have a strong preference for professionalism in Government service. I think we do better in diplomacy when we have professional diplomats. I think that in many of the highly technical fields of Government, professionals can do a better job simply on the basis of training and experience and maturity.

I would say, Mr. Chairman—and this is a conclusion I have come to somewhat painfully over a long period of years—that even in the Congress we do better with professionals. But we do not always get them.

And so it is a particular pleasure to me to present to the committee, not to introduce to the committee because you already know him, but to present to the committee a professional.

My own knowledge of John McMahan goes back over a number of years to my service on the Select Committee on Intelligence, and prior to that, as a member of the Intelligence Investigating Committee, when I served with the chairman. So I know him well, and I know he is a professional and that he values the standard of excellence which ought to characterize the Central Intelligence Agency. That is not an agency in which we can either be amateur or inadequate. It has to be professional, and it has to be excellent, and John McMahan, I think, will strive to maintain those kinds of standards. He has been a member of the Agency since 1951, which goes back, John, I guess almost to the period in which my wife was one of you.

And so in the intervening 30 years he has had an opportunity to observe and participate and be a part of the modern Agency, and I think that in itself will be an enormous contribution, to provide a thread of continuity which is so necessary in an agency as delicate and as sensitive and as important as the CIA.

As the chairman I am sure is aware, he already holds two distinguished medals, the Intelligence Medal of Merit, the Certificate of Distinction, and the Intelligence Distinguished Service Medal.

Mr. McMahan is to be congratulated on having received the President's nomination, the evidence of the President's confidence in him, but I believe that President Reagan is also to be congratulated in having the opportunity to work with John McMahan and to have the benefit of his services and his experience.

And so, Mr. Chairman, it is with great pleasure that I do present him to the committee as a distinguished citizen of Maryland and as a distinguished American.

The CHAIRMAN. Thank you very much, Senator Mathias.

I can say to you, Mr. McMahan, that you could not have a more qualified person introduce you. He was not the father but the grandfather of this committee and has for all the years I have served in the Senate with him been a man deeply interested in the intelligence family.

So we thank you, Senator Mathias, and publicly we thank you for our new room.

Mr. McMAHON. Mr. Chairman, I appreciate Senator Mathias' contribution to this committee, and I am very grateful to him for taking the time to introduce me.

The CHAIRMAN. I think Senator Moynihan has some remarks.

Senator MATHIAS. You are on your own.

Mr. McMAHON. Thank you, Senator.

The CHAIRMAN. Pat?

STATEMENT OF SENATOR MOYNIHAN

Senator MOYNIHAN. Mr. Chairman, I have a statement which I would ask to be included in the record.

The CHAIRMAN. Without objection.

[The prepared statement of Senator Moynihan follows:]

PREPARED STATEMENT OF HON. DANIEL PATRICK MOYNIHAN, A U.S. SENATOR FROM THE STATE OF NEW YORK

Mr. Chairman, I would like to join you in welcoming Mr. McMahan to our public hearing on his nomination to be Deputy Director of Central Intelligence. I share your admiration for the distinguished record of service to his country which Mr. McMahan has compiled during his thirty years with the Central In-

telligence Agency. During this period, he has won 5 significant awards and has served in leadership positions in all four directorates of the CIA, as well as in the Intelligence Community staff. He comes before us as highly-qualified a candidate for the position for which he has been nominated as we are ever likely to see.

The confirmation process is important not only because it gives the Senate a chance to make an independent evaluation of the qualifications of the nominee, but also because it offers a major opportunity for the exercise of the Congressional oversight function. Nomination hearings enable us to take stock of where we have been and where we are headed. During my 5½ years on the Select Committee, we have concentrated on two major tasks. First, we have established mechanisms for Congressional oversight. Second, we have tried to provide the resources necessary for the rebuilding of our intelligence capabilities.

In today's hearing, Mr. McMahon will tell us what he sees as the current state of intelligence and its requirements for the future. Also, we shall question him on his views on Congressional oversight.

A proper oversight relationship demands that the Director of Central Intelligence and his Deputy be willing to provide this Committee with the information it needs in a forthright and candid manner. During the hearings on the nomination of William J. Casey to be Director of Central Intelligence, I asked him a question that we might ask of all nominees for that position, and for the Deputy Directorship, as well. I put the matter as follows: "How do you feel about telling the Committee things we need to know (that) you would just as soon not more than two people in the world knew?"

Mr. Casey responded as follows: "Well, Senator, I intend to comply fully with the spirit and the letter of the Intelligence Oversight Act. I intend to provide this Committee with the information it believes it needs for oversight purposes. I believe the detailed implementation of that general intention is something we will work out as we go along. . . . I cannot conceive now of any circumstances under which [questions of the President's Constitutional authority] would result in my not being able to provide this Committee with the information it requires. I would obviously have to be subject to and discuss with the President any particular situations which I cannot now foresee, and I would do that in a way that this Committee would know about."

I am confident that Mr. McMahon's response will be equally satisfactory.

Mr. Chairman, in welcoming Mr. McMahon to this hearing, we are in a sense welcoming an old friend, since he has appeared before us on numerous occasions during the six years the Committee has been in existence. I have every confidence that our relationship in the future will be as open and beneficial as it has been in the past.

Senator MOYNIHAN. As you know, yesterday we had a very extensive and intensive private hearing and to some extent we will be going over that material again today. But first I just want again to welcome Mr. McMahon, whom we have seen frequently before our committee. As he knows from his past visits to this committee we have had two principal tasks in the last 6 years: the first, to establish the mechanism of congressional oversight of the intelligence community, something that had not existed but which we now feel does; and the second, to provide the resources for a community that had been running down for a long period, which we think we have done.

We would like to hear today your opinion of the present state of American intelligence, having especially in mind that it is the agencies of the Intelligence Community, more than any other on which the United States will rely for the verification of any agreements on nuclear arms reduction we reach with the Soviets. We would like to hear also your judgments about the future needs of the community, a community which you have served with such great distinction for 31 years, and if I dare correct the Senator from Maryland, from which you have received five department awards.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Are there statements by any other members?

STATEMENT OF SENATOR HUDDLESTON

Senator HUDDLESTON. Mr. Chairman, I have a statement I also would like put into the record, and I would just indicate here, this is one of the few times that we have an opportunity to conduct our business in public, and we are fortunate to have a witness who has had some 30 years experience in the intelligence community. I think all of us have some concern as to the direction we are headed as far as intelligence operations are concerned and the responsibilities of this particular committee. So I hope we have an opportunity to explore some of those areas as we proceed today, and I would ask unanimous consent that my full statement be included in the record.

The CHAIRMAN. That will be done.

Senator HUDDLESTON. Thank you.

[The prepared statement of Senator Huddleston follows:]

PREPARED STATEMENT OF HON. WALTER D. HUDDLESTON, A U.S. SENATOR FROM THE STATE OF KENTUCKY

Today's hearing is one of the few opportunities we have to conduct our business in public. So I think we have a duty to discuss some of our concerns about the intelligence community. On these issues Mr. McMahon can speak not only as nominee for Deputy DCI, but also as the current CIA Executive Director with thirty years' experience in the Agency.

This nomination comes at a time of increasing uneasiness about where the intelligence community is going. If there is one thing this committee has tried to do, it is to keep intelligence free from partisan or ideological bias.

We must be a watchdog to make sure that intelligence operations serve the national interest. We must be alert to the danger that an administration may seek to distort intelligence reports or slant intelligence analysis.

Equally important is our mandate to protect constitutional rights and other basic principles of our free society.

We need to monitor the safeguards that keep U.S. intelligence activities from violating the rights of our own citizens. And we should also try to strike a proper balance between secrecy and the public's right to know.

On many of these counts I believe we must increase the vigilance of our oversight efforts. No single event leads me to this conclusion. Rather, it is a series of issues which, taken together, make the prospects more disturbing.

In June of 1981 the Attorney General re-asserted the old claims of so-called "inherent power" of the President to justify FBI intelligence searches in this country without a judicial warrant.

In September, the Attorney General revoked Justice Department guidelines adopted after the Supreme Court decision in the Snepp case to limit the risks of unjustified censorship.

In December, the President issued his new executive order on intelligence activities. It widened CIA's authority to operate in the United States to collect foreign intelligence about American citizens who are innocent of any crime and are not suspected of being foreign agents.

The President also ordered intelligence agencies to revise their procedures for collecting information about American citizens by such intrusive methods as wiretapping abroad and infiltration of domestic organizations.

In April of this year, another executive order on national security information eliminated the "identifiable damage" standard for classification and the requirement to take into account the public's need for information.

There have also been troubling reports of possible proposals for a new counter-intelligence organization with authority over both the FBI and CIA.

These are some of the reasons for concern about the direction the intelligence community is taking. They may require more than congressional oversight to make sure the community stays on track.

For example, some of us have joined in cosponsoring Senator Durenberger's bill to prevent the new classification order from leading to excessive government secrecy.

I think it may also be time to reconsider some of the intelligence charter issues we set aside two years ago. It might make sense to think about enacting some basic principles into law, based on our experience with the new executive order on intelligence.

We need a permanent framework for U.S. intelligence activities that provides general standards for operations in this country and that does not change every time a new President takes office. It could protect the rights of Americans, and it could help keep the intelligence community out of politics.

STATEMENT OF SENATOR ROTH

Senator ROTH. Thank you, Mr. Chairman. I, too, have a statement that I would ask to be included in the record.¹

Mr. McMahan, first, I think we are very fortunate in having an individual of your background assume this position of responsibility.

I would just like to say that it seems to me you are coming to this job at a time when our intelligence services are rebuilding from years of making do with too little resources. But I am concerned lest we lose the consensus that has been built in this Nation in support of our intelligence and defense capabilities.

It seems to me extraordinarily important that the CIA not be seen by the people of this country as a threat to their freedoms and liberties; rather, the intelligence agencies must be seen for what they are, the guardians of our security, the unbiased advisers of our policy-makers, so that I think someone like yourself, a career intelligence officer in a position of leadership at CIA, can help to bring a public realization of the contribution the CIA makes to this Nation.

Again, I think we are fortunate to have you here.

Mr. McMahan. Thank you, sir.

The CHAIRMAN. Senator Leahy?

STATEMENT OF SENATOR LEAHY

Senator LEAHY. Mr. Chairman, I will try to be very brief. Like everybody else on this committee, I was sorry to see Admiral Inman leave. I know that is also a feeling that the designee shares with us, that Admiral Inman is an exceptional and uncommonly bright member of the intelligence community. I accept without reservation the reasons that Admiral Inman has given for leaving, and I understand them.

I think the one thing that has ameliorated the regret that each of us has had is that the President has appointed you as Admiral Inman's replacement. I think that I also concur that this is an area where amateurs should not tread, and professionalism is absolutely called for, is needed, desperately needed. And certainly I cannot think of anyone within the Agency whose background or professionalism could begin to match yours, or anybody within the Agency better qualified for the position.

I know, Mr. Chairman, that in earlier sessions on this, I had had only one real question to ask. I would ask this of any nominee either for Director of CIA or Deputy Director of CIA: Would the nominee make sure not only that this committee was kept fully informed, but

¹ Senator Roth's statement was read into the record.

if this committee was given erroneous information and the nominee was aware of it, would he come before us and correct it? Mr. McMahon's answers have totally satisfied the concerns that I had on that question. As I said, I will ask that question of any nominee now or in the future coming before us, and his answer reflected the professionalism that we would expect, that indeed, he would correct it. This is consistent with the way you have been before us before.

I agree with the Senators before me that this is one of the rare times we are in open session, and most of the people here never get a chance to hear you testify. I have found your testimony to be good, direct, straightforward. I see no reason why it would be otherwise.

And Mr. Chairman, I commend you for having these hearings, but I will not have to consult Jimmy the Greek to be able to predict what the outcome will be.

Thank you.

Mr. McMAHON. Thank you, Senator.

The CHAIRMAN. John, you may make your statement.

**TESTIMONY OF JOHN N. McMAHON, NOMINEE TO BE DEPUTY
DIRECTOR OF CENTRAL INTELLIGENCE**

Mr. McMAHON. Thank you, Mr. Chairman.

Members of the Select Committee on Intelligence, I am honored to appear before you today to discuss my nomination to be Deputy Director of Central Intelligence. I appreciate the President's expression of confidence in me, and I approach this new challenge with enthusiasm and determination.

I have, as you know, served our Nation as an intelligence officer for over 30 years. I feel fortunate to have had a varied, rewarding and constantly challenging career, permitting me to serve in all phases of intelligence, from operations to analysis, from research and development of technical collection systems to administration. Let me briefly review it for the committee.

I began my career with the Agency as a clerk in 1951. After serving overseas for 5 years, I returned for basic training in the Army and I then joined the U-2 program. In 1965 I became Deputy Director for the Agency's Office of Special Projects which was concerned with applying the latest in advanced technology to major intelligence collection problems. Later I served as Director of the Office of Electronic Intelligence, and then as Director of the Office of Technical Service, responsible for technical support to our overseas operations.

In 1974 I became Associate Deputy Director of CIA for administration. I then served as Associate Deputy and as Acting Deputy to the DCI for the intelligence community until being appointed Deputy Director of CIA for Operations in January of 1978. In this capacity I directed the Agency's overseas operations. In April of 1981 I became Deputy Director for National Foreign Assessment, responsible for directing analysis and production of intelligence. I served in that capacity until January of this year when I was appointed as the Agency's Executive Director, responsible for the day-to-day management of CIA.

My assignments, many of which involved joint programs with the military, have given me both a detailed knowledge of the Central Intelligence Agency and a substantial appreciation of military requirements and intelligence needs. My 2 years with the intelligence community staff provided me with an in-depth understanding of all national programs, military and civilian, the priority of intelligence requirements associated with those programs, and the best means of satisfying intelligence needs for the policymakers as well as our military commanders in the field.

When I joined the Agency in 1951, Mr. Chairman, we lived in an essentially bipolar world. In those days our adversary was obvious, our mission was clear, and our efforts were focused accordingly. The United States worked to build the democratic institutions and economic capabilities of its friends while the Soviet Union strove to subvert our efforts. The risk of atomic catastrophe was just then beginning to become a factor in the struggle between freedom and totalitarianism. We focused intelligence resources on the Soviet Union and its allies, and we analyzed world events mainly in terms of their effect on the East-West balance of power.

As we move through the 1980's and beyond, it is clear that the intelligence mission must be geared to threats which are increasingly varied, subtle, and complex. We can never take for granted our ability to accurately assess the military capabilities and intentions of our key adversaries, and the Soviet Union must remain our first intelligence priority. At the same time, we should also insure that we appreciate fully the broad range of political, economic, social, and religious forces whose interaction will shape world events and influence the destiny of our country. Finally, we should never set aside the importance of more traditional causes of international conflict such as irredentism and national pride.

The ability of the intelligence community to provide national policymakers with the timely, accurate, and insightful information they need to advance American interests in the world requires that we constantly strive to improve our capabilities to collect the right kind of information, to analyze it effectively, and to present it in a relevant and useful manner.

We are encouraged that the mutual determination of the President and the Congress to restore the vitality of our Nation's intelligence community is helping us translate these goals into reality. As we do so, however, I would like to emphasize for the record that the activities of the intelligence community involving Americans are and must continue to be limited, subject to strict standards of accountability, and far removed from any abridgment of cherished constitutional rights.

I am firmly convinced that congressional oversight is beneficial both for the American people and for the intelligence committee. The oversight system serves two key purposes. First, it assures the American people that activities which are of necessity undertaken in secret are being monitored by their elected representatives. Second, it assures the intelligence officers who undertake those activities that the Congress and the American people stand behind and support them in their difficult and often dangerous assignments.

The oversight arrangements which have developed and matured over the past several years have also served to enhance congressional understanding of the intelligence mission and of the need for the long range commitment of resources to meet the challenges which lie ahead. The cumulative impact of the annual authorization of appropriations for intelligence activities by this committee and its counterpart in the House of Representatives, the review conducted in great detail by the Appropriations Committees, and the statutory obligation to keep the two Intelligence Committees fully and currently informed has made the Congress an active partner in our Nation's intelligence activities.

This is as it should be, and I pledge to you that if confirmed I will make every effort to foster and improve this vital relationship.

Mr. Chairman, that concludes my prepared remarks. I would be pleased to answer any questions which you and the members of the committee may have.

FINANCIAL STATEMENT

The CHAIRMAN. Thank you, Mr. McMahon.

Before we start the questioning, I have a few insertions to make.

Rule 5.6 of the rules of procedure for our committee states that "No nomination shall be reported to the Senate unless the nominee has filed a background and financial disclosure statement with the committee."

John McMahon has filed both of these statements with the committee. Copies of these statements are available to Senators in tab D of their briefing books, and I ask that the unclassified sections of these statements be inserted into the record of this hearing.

Senator MOYNIHAN. Mr. Chairman, could I ask you to yield long enough for me to state that if anyone would like to know what it means to be a professional career intelligence officer in this country, they would do well to read the financial disclosure statement of Mr. McMahon, which consists of 30 blank pages. [General laughter.]

Mr. McMAHON. There's a tin cup at the end of that, Senator Moynihan. [General laughter.]

[The background and financial statements follow:]

SENATE SELECT COMMITTEE ON INTELLIGENCE
QUESTIONNAIRE FOR COMPLETION BY
PRESIDENTIAL NOMINEES

A. BIOGRAPHICAL INFORMATION

1. NAME: McMahon John Norman
(LAST) (FIRST) (MIDDLE)
2. FORMER NAME(S) USED, IF ANY: N/A
3. DATE OF BIRTH: 3 / July / 1929
(DAY) (MONTH) (YEAR)
4. SPOUSE'S NAME: Hugger Margaret Joan
(LAST) (FIRST) (MIDDLE)
5. FORMER NAME(S) USED BY SPOUSE, IF ANY N/A
6. NAME AND YEAR OF BIRTH
OF CHILDREN:

<u>Patricia Joy</u>	<u>28</u>
<u>Christopher John</u>	<u>27</u>
<u>Timothy Richard</u>	<u>23</u>
<u>Peter Collins</u>	<u>18</u>

7. EDUCATION:

<u>INSTITUTION</u>	<u>DATES ATTENDED</u>	<u>DEGREES RECEIVED</u>	<u>DATES OF DEGREES</u>
<u>Holy Cross</u>	<u>1947-1951</u>	<u>B.A.</u>	<u>June 1951</u>
<u>Georgetown Law</u>	<u>1951</u>	<u></u>	<u></u>
<u>Harvard Advanced Management Program</u>	<u>1968</u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>

8. Employment Record

September 1951 - June 1952	Communications processing and distribution clerk
June 1952 - June 1952	Communications tech (crypt) (overseas)
July 1952 - August 1953	Communications cable analyst (overseas)
August 1953 - July 1954	Chief, Cable Desk (overseas)
July 1954 - November 1954	Home leave and training at CIA's training site
November 1954 - February 1955	Administrative officer (overseas)
February 1955 - January 1957	Assistant to Chief of Station (overseas)
March 1957 - September 1957	Entered military service under Agency auspices
September 1957 - November 1957	Headquarters, European Division, counter-intelligence
November 1957 - December 1958	Deputy Chief, Central Processing
January 1959 - May 1961	Case officer for U-2 pilots and contract monitor of technical representatives
May 1961 - November 1962	Executive Officer, Development Projects Division; was responsible for CIA reconnaissance activities, and support to all phases of air operations
November 1962 - January 1964	Chief, Program Analysis Staff/Development Projects Division
January 1964 - July 1964	DCI Program Analysis Staff
August 1964 - September 1965	DDS&T Systems Analysis Staff
September 1965 - September 1970	Deputy Director, Office of Special Projects
September 1970 - July 1971	Deputy Director, Office of ELINT
July 1971 - April 1973	Director, Office of ELINT

April 1973 - August 1974	Director, Office of Technical Service
August 1974 - May 1976	Associate Deputy Director for Administration
May 1976 - April 1977	Associate Deputy to the DCI for the Intelligence Community
April 1977 - January 1978	Acting Deputy to the DCI for the Intelligence Community
January 1978 - April 1981	Deputy Director for Operations
April 1981 - January 1982	Deputy to the DCI for National Foreign Assessment
January 1982	Executive Director

	<u>POSITION OR TITLE</u>	<u>JOB DESCRIPTION</u>	<u>NAME OF EMPLOYER</u>	<u>LOCATION AND DATES OF EMPLOYMENT</u>
8. EMPLOYMENT RECORD: (List all positions since college, including military service)	1 (See attachment)		CIA	Abroad and Washington, D.C. 1951-Present
	2.			
	3.			
	4.			
	5.			
	6.			

(ATTACH EXTRA SHEET IF NECESSARY)

9. GOVERNMENT EXPERIENCE: Excluding any employment listed above, list any experience in, or association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time services or positions.

None

10. MEMBERSHIPS: List all memberships and offices held within the last five years in professional, fraternal, business, scholarly, civic, charitable and other organizations.

<u>ORGANIZATION</u>	<u>OFFICES HELD (if any)</u>	<u>DATES</u>
None		

11. PUBLISHED WRITINGS & SPEECHES List the titles, publishers and dates of books, articles, reports or other published materials you have authored. Also, list titles of any public speeches for which there is a text or transcript, which you have given in the last 10 years. Please specify whether it is a book, article, report or speech.

None

12. HONORS & AWARDS List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

Distinguished Intelligence Medal (2)

Intelligence Medal of Merit

Certificate of Distinction

National Intelligence Distinguished Service Medal

Certificate of Recognition - William A. Jump Memorial Award

13. B. Qualifications

During my 31 years of government service, I have had the good fortune to work in all four Directorates of the Central Intelligence Agency as well as on staffs supporting the DCI in executing his Intelligence Community responsibilities. Within CIA, my responsibilities in the scientific and technical arena have included reconnaissance operations and research and development (1965-1974). As Associate Deputy Director for Administration (1974-1976), I helped manage our support capabilities, including communications, logistics, data processing, personnel, security and training. I have also served as Deputy Director of Central Intelligence for Operations (1978-1981). In that capacity I was responsible for the collection of foreign intelligence from human sources, counterintelligence, and conducting special activities as directed by the National Security Council. As Deputy Director for National Foreign Assessment (April 1981 - January 1982), I was the Director's principal advisor on the analytical process and the production of national intelligence, including Intelligence Community estimates and CIA production. Finally, as Executive Director since January of this year, I have been responsible for the day-to-day management of the Central Intelligence Agency.

Within the Intelligence Community, I served as Associate Deputy (1976) and then Acting Deputy (1977) to the DCI for the Intelligence Community. In those capacities I assisted the DCI in executing his Community responsibilities and served as his principal advisor on all matters relating to the National Foreign Intelligence Program budget and on Community-wide collection tasking. I would also like to note that during most of my career (since 1959), I have served in positions involving national programs requiring coordination, and in many cases joint efforts, with the military services.

I believe my long and varied career has provided me an in-depth appreciation of all facets of the intelligence process, both within the CIA and the Intelligence Community, and therefore qualifies me for the position for which I have been nominated.

13. REFERENCES: Please provide the Committee with the names and current addresses and telephone numbers of five individuals whom you believe are in a position to comment upon your qualifications for the office to which you have been nominated. Please include the names of at least three (3) persons who have known you for more than five years.

<u>NAME</u>	<u>ADDRESS</u>	<u>TEL. NO.</u>	<u># OF YEARS REFERENCE HAS KNOWN YOU</u>
Vice President George Bush	White House	456-7123	7
Deputy Secretary of Defense Frank Carlucci	Pentagon	695-6352	6
Admiral Daniel J. Murphy	White House	456-6606	7
Admiral Stansfield Turner	1320 Skipwith Road McLean, Virginia 22101	522-5258	6
Walter J. Stoessel, Jr.	State Department	632-9640	6

B. QUALIFICATIONS

State fully your qualifications to serve in the position for which you have been nominated. (attach sheet)

C. FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business or political adviser or consultant), with or without compensation, a foreign government or any entity controlled by a foreign government?

XXX
 YES NO

2. If you or your spouse have ever been formally associated with a law, accounting, public relations or other service organization, have any of you or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or any entity controlled by a foreign government?

XXX
 YES NO

If the answer to either or both of the above questions is "yes", describe each relationship.

(NOTE: The questions above are not limited to relationships requiring registration under the Foreign Agents Registration Act.)

3. During the past five years, have you or your spouse received any compensation from, or been involved in any financial or business transactions with a foreign government or an entity controlled by a foreign government?

XXX
YES NO

If yes, please furnish details.

(NOTE: Questions 1,2,& 3 do not call for a response if the representation or transaction was authorized by the United States Government in connection with your employment in government service.)

4. Have you or your spouse ever registered under the Foreign Agents Registration Act?

XXX
YES NO

If yes, please furnish details.

D. POLITICAL AFFILIATIONS

1. List all of your and your spouse's financial contributions of money or services valued in excess of \$500 to any political party, election committee or political action committee during the last five years.

<u>NAME OF ORGANIZATION</u>	<u>AMOUNT</u>	<u>DATE</u>
None		

2. Have you ever been a candidate for elective public office?. If yes, please furnish details.

XXX
YES NO

E. FINANCIAL DISCLOSURE AND POTENTIAL CONFLICT OF INTEREST

1. Please describe any employment, business relationship, investment, association or activity which might create, or appear to create, a conflict of interest in the position to which you have been nominated. (See copies of 18 USC 208 and Executive Order 11222 attached.)

None

2. (a) As far as it can be foreseen, state your plans after completing government service. Please state specifically any agreements or understandings, written or unwritten, concerning employment after leaving government service in particular concerning agreements, understandings or options to return to your current position.

Undetermined - no agreements or understandings.

- (b) Have you received any offer or expression of interest to employ your services in any capacity? If yes, please furnish details.

No

- (c) If you are presently in government service, during the past five years of such service have you received from a person outside of government an offer or expression of interest to employ your services after you leave government service?

No

3. Do you have any commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If yes, please furnish details.

No

4. Please list below all corporations, partnerships, foundations, trusts, or other entities toward which you or your spouse have fiduciary obligations or in which you or your spouse have held directorships or other positions of trust during the past five years.

<u>Name of Entity</u>	<u>Position</u>	<u>Dates held</u>	<u>Self or Spouse</u>
None			

5. List all gifts exceeding \$500 in value received during the past five years by you, your spouse, and your dependents. Gifts received from relatives & gifts given to a spouse or dependent totally independent of their relationship to you need not be included.

None

6. List all securities, real property, partnership interests, or other investments or receivables with a current market value (or, if market value is not ascertainable, estimated current fair value) in excess of \$1,000. (NOTE: The information provided in response to Schedule A of the disclosure forms of the Office of Government Ethics may be incorporated by reference, provided that current valuations are used.)

<u>Description of Property</u>	<u>Value</u>	<u>Method of Valuation</u>
Home	Estimated \$170,000	

7. List all loans, mortgages, or other indebtedness (including any contingent liabilities) in excess of \$10,000. (NOTE: The information provided in response to Schedule D of the disclosure form of the Office of Government Ethics may be incorporated by reference, provided that contingent liabilities are also included.)

<u>Nature of Obligation</u>	<u>Name of Oblige</u>	<u>Amount</u>
Mortgage	Richard and Margaret Hugger (in-laws)	\$30,000

8. List all lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law of public policy. List specifically each appearance before any committee of the Congress, and any other effort in any capacity to influence an action of a committee of Congress.

None

9. Describe the financial arrangements you have made or plan to make, if you are confirmed, in connection with severance from your current position. Please include severance pay, pension rights, stock options, deferred income arrangements, and any and all compensation that will or might be received in the future in your current position as a result of your prior business or professional relationships.

N/A

10. Explain how you will resolve any potential conflict of interest that may be indicated by your responses to the above items.

N/A

11. Do you intend to place your financial holdings and those of your spouse and dependent members of your immediate household in a blind trust? If yes, please furnish details.

N/A

12. List sources and amounts of all income received during the last five years, including all salaries, fees, dividends, interest, gifts, rents, royalties, patents, honoraria, and other items exceeding \$500. (If you prefer to do so, copies of U.S. income tax returns for these years may be substituted here, but their submission is not required.)

	19 77	19 78	19 79	19 80	19 81
Salary	\$48,427	\$50,003	\$50,584	\$63,299	\$52,749
Fees, royalties					
Dividends					
Interest	\$ 284	325	377	498	658
Gifts					
Rents					
Other-exceeding \$500					
Total					

13. Add schedule itemizing each individual source of income which exceeds \$500. If you are an attorney, accountant, or other professional, attach schedule listing all clients and customers whom you billed more than \$500 worth of services during the past five years.

N/A

F. LEGAL PROCEEDINGS

1. List all civil legal actions in which you have been a party or a witness since you reached age 21 and provide the name and location of the court, the docket number, and a brief description of the nature of the action and your involvement in it.

N/A

29

2. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? If yes, please furnish details.

No

3. Have you ever been arrested or named as a defendant in an indictment or information for any criminal violation, other than a minor traffic offense? If yes, please furnish details.

No

G. OTHER INFORMATION

1. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination. None
2. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.
3. Are you willing to provide such information as is requested by such committees? Yes.

AFFIDAVIT

I John N. McMahon, do swear that the information provided in this statement, including the confidential section and other attachments hereto, is to the best of my knowledge, true, accurate and complete.

10 MAY 1982

DATE

[Redacted Signature Box]

SIGNATURE

[Handwritten Signature]
NOTARY

Commission Expires May 30, 1983

FINANCIAL DISCLOSURE REPORT

Reporting Status (Check Appropriate Box)		NOTE All schedules must be filed. Enter "None" in areas or across schedules where appropriate.		Agency Use Only Date of Filing (Month, Day, Year)	OGE Use Only MAY 11 1982
<input checked="" type="checkbox"/> Incumbent	<input checked="" type="checkbox"/> New Entrant, Nominee, or Candidate	<input type="checkbox"/> Termination Report		5-6-82	
Reporting Individual's Name	Last Name McMahon	First Name and Middle Initial John N.		Date of Appointment, Candidacy, Election or Nomination (Mo., Day, Yr.)	Termination Date (If Applicable) (Month, Day, Year)
Position for Which Filing	Title of Position Deputy Director of Central Intelligence	Department or Agency (If Applicable) Central Intelligence Agency			
Location of Present Office	Address (Number, Street, City, State and Zip Code) Washington, D.C. 20505	Room Number 7055		Telephone No. (Include Area Code) (703) 351-6767	
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination Senate Select Committee on Intelligence	Do You Intend to Create a Qualified Diversified Trust?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Positions Held With the Federal Government During the Preceding 12 Months (List Same as Above)	Title of Position(s) and Date(s) Held 12 April 1981 - 3 January 1982: Deputy Director for National Foreign Assessment, Central Intelligence Agency 4 January 1982 - : Executive Director, Central Intelligence Agency				
Certification	Signature of Reporting Individual	[Redacted Signature]		Date (Month, Day, Year) 5-6-82	
Agency Ethics Official's Opinion The information contained in this report discloses no conflict of interest under applicable laws and regulations.	Signature of Designated Agency Ethics Official	Ernest W. Hagedorn		Date (Month, Day, Year) 5-6-82	
Office of Government Ethics Use Only	Signature	J. Jackson Walter		Date (Month, Day, Year) 5-14-82	
Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)					

31

25X1

INCOME AND INTERESTS IN PROPERTY

This schedule is applicable in the case of all reporting individuals.

Do you, your spouse, or dependent child receive income from, or have a beneficial interest in a trust?..... **X**

If "yes", have you reported the income from the trust?.....

If "yes", have you reported the assets of the trust?.....

If "yes", is this trust an "excepted" trust?... Yes No or "qualified" trust?....

If there are any interests in property, purchases, sales, or exchanges, or liabilities of a spouse or dependent child which you have not reported but which would be reportable, but for the following:

1. They represent solely your spouse's or dependent child's financial interest or responsibility;
2. They are not, in any way past or present, derived from your income, assets, or activities;
3. You neither derive, nor expect to derive, any financial or economic benefit from them; and
4. You do not have knowledge as to the composition of such interests or liabilities.

Do you certify to all of the above? **X**

Page Number	2	Schedule	A
Reporting individual's name			
John N. McMahon			
Agency Use Only			
Date of Filing (Month/Day/Year)			
5-6-82			

Show Code or Description of Trust (IRC)	Identification	Income															Interests in Property					
		Type of Income (Section 641)															Valuation of Assets					
		Dividends	Rents	Interest	Royalties	Annuities	Capital Gains	Excess Capital Gains	Debt Income	Other (Specify)	None	Income Tax	Gift Tax	Estate Tax	Other	None	Income Tax	Gift Tax	Estate Tax	Other		
	Northwest Federal Credit Union			X											X							

PURCHASES, SALES, AND EXCHANGES
 This schedule is applicable only in the case of annual and termination reports.

Page Number	3	Schedule	B
Reporting Individual's Name	John N. McMahon		
Agency Use Only			
Date of Filing (Month, Day, Year)	5-6-82		

Report Applicable Transactions. Even if Also Reported on Schedule A

S or DC	Identification of Property (real and personal)	Type of Transaction			Date (Month, Day, Year)		Category of Amount or Value (in \$)						
		Purchase	Sale	Exchange	Purchase	Sale or Exchange	\$1,001 to \$5,000	\$5,001 to \$15,000	\$15,001 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$250,000	Over \$250,000	
	None												

GIFTS AND REIMBURSEMENTS

This schedule is applicable only in the case of annual and termination reports.

Page Number	4	Schedule	C
Reporting Individual's Name	John N. McMahon		
Agency Use Only			
Date of Filing (Month, Day, Year)	5-6-82		

I. Lodging, Transportation, Food and Entertainment—List each source totaling \$250 or more in value			Value
Sec	Source (Name and Address)	Brief Description	
	None		

II—All Other Gifts—List each source totaling \$100 or more in value			Value
Sec	Source (Name and Address)	Brief Description	
	None		

III Reimbursements—List each source totaling \$250 or more in value			Value
Sec	Source (Name and Address)	Brief Description	
	None		

OMB No. 1545-0047
 (Rev. 7-82)

This schedule, except as noted for the third section, is applicable in the case of all reporting individuals.

John N. McMahon
 Agency Use Only
 5-6-82
 Page Number 5
 Schedule D

S or DC	Name and Address of Creditor	Type of Liability (e.g., promissory note, margin account) Give date, interest rate and, if applicable, term	Category of Amount or Value (in \$)				
			\$10,000 to \$15,000	\$15,001 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$250,000	Over \$250,000
	None						

Name and Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
None				

Source (Name and Address)	Brief Description of Duties
None	

Description of Terms of Any Agreement or Arrangement	Parties	Date (Mo., Day, Yr.)
None		

ETHICS COMMITTEE REPORT

The CHAIRMAN. And I have here the Office of Government Ethics report on John McMahon, and I ask unanimous consent that it be placed in the record of these hearings.

[The Ethics report follows:]

OFFICE OF GOVERNMENT ETHICS,
OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C., May 14, 1982.

HON. BARRY GOLDWATER,
Chairman, Select Committee on Intelligence,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by John N. McMahon, who has been nominated by President Reagan for the position of Deputy Director of Central Intelligence.

We have reviewed the report and have also obtained advice from the Central Intelligence Agency concerning any possible conflict in light of the Agency's functions and the nominee's proposed duties. Based thereon, we believe that Mr. McMahon is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

J. JACKSON WALTER,
Director.

The CHAIRMAN. I have a prepared statement from Senator Inouye on the nomination of John McMahon. I ask that that be placed in the record as though read.

STATEMENT OF HON. DANIEL K. INOUE, A U.S. SENATOR FROM
THE STATE OF HAWAII

Mr. McMahon, let me add my personal congratulations to those of the other members of the Select Committee on Intelligence on your nomination as Deputy Director of Central Intelligence. I believe it is fortunate for the committee—and also the intelligence community and the public—that an individual of your comprehensive managerial and technical expertise in the field of intelligence has been nominated to this important position.

Recent years have witnessed a growth in public awareness of the importance of timely, relevant, and high quality intelligence. Many current foreign policy problems require accurate intelligence information for their satisfactory resolution—for example, the form and content of verifiable strategic arms limitation agreements; Soviet and client state use of biological and chemical agents in warfare and the general problem of Soviet compliance with arms control agreements; the military situation in various parts of the world and the desirability of proposed U.S. arms sales to such regions; and the status of national nuclear programs and the prospects for control of nuclear proliferation.

This committee has responded favorably since the time of its creation to the task of rebuilding the intelligence capabilities of the U.S. Government and providing for adequate intelligence on emerging issues. The committee has worked in close cooperation with the intelligence community to insure, especially, that intelligence collection and analysis be improved through new systems and procedures and, when

necessary and justified, through new institutional arrangements. The previous appointee as Deputy Director, Admiral Inman, has mentioned that he was persuaded to accept the post of Deputy Director of Central Intelligence in order to help rebuild and strengthen vital national intelligence capabilities. I believe that Admiral Inman is correct in his belief that this task has been successfully commenced; I and the other members of the committee will continue to be involved in this important effort.

There is an indisputable need to enhance our national intelligence capabilities to meet novel and severe current challenges, especially through reinforcement of our intelligence collection and analysis capabilities. But there is also a danger that increased attention to intelligence functions, with their unavoidable aspect of secrecy, will cause too great an expansion in the side of intelligence that is customarily referred to as "operations"—clandestine intelligence collection, or espionage, and covert action in support of foreign policy objectives. Overstressing intelligence operations can be detrimental to the traditional intelligence functions of collecting and analyzing national security information, and may also result in infringement of constitutional rights and civil liberties. If such abuses were to occur, the public credibility of intelligence efforts would suffer and the Nation could be disadvantaged in its continuing pursuit of necessary intelligence activities.

The public credibility of intelligence activities is now preserved in great part through the process of congressional oversight of the activities of the intelligence community. The Senate Select Committee on Intelligence and its counterpart in the House of Representatives review general intelligence programs, including their budgets, and in addition are regularly notified of significant intelligence activities at home and clandestine activities abroad. In this way, not only is the public credibility of intelligence preserved but legal and constitutional legitimacy is conferred on properly reported and approved intelligence programs and activities. Through the oversight mechanism, the actions of the executive in the area of intelligence are made accountable to the public through their elected representatives in Congress, while necessary secrecy is preserved. As the first chairman of the Select Committee on Intelligence, I am proud of the record of the committee in discharging its constitutional and statutory functions and of its unblemished record of preserving necessary secrecy in the interests of national security. I believe that the committee has successfully steered the difficult course between meaningful review of executive action and judicious treatment of highly sensitive information.

The oversight process I have described has been crucial in assuring Congress and through Congress the public that intelligence programs are properly administered and intelligence activities carefully supervised. It has also protected the intelligence community by assuring it that its actions are being taken through regular procedures that insure the support of Congress and the public. The previous appointee to the position of Deputy Director of Central Intelligence, Admiral Inman, succeeded to an admirable extent in gaining the confidence of Congress and the trust of the public. He was a fine professional intelli-

gence officer; we could be sure of his abilities to grasp and manage the complex activities of the intelligence community. He established a fine rapport with the oversight committees and a fine record in disclosure and discussion of key intelligence issues.

Mr. McMahon, I believe that you, in view of your long experience as an intelligence professional, can have a similar positive effect on the success of the Nation's intelligence effort, including the important aspect of congressional relations. I would hope that you will turn all your hard-earned professional skills to the difficult duties of this job, by keeping a watchful eye on the managerial and technical side of the activities of the intelligence community, especially the Central Intelligence Agency, and by keeping this committee and whenever appropriate, the public, fully informed of significant intelligence issues.

HOUSE SUPPORT

The CHAIRMAN. I have a letter from Congressman Edward Boland, chairman of the House Permanent Select Committee on Intelligence, which is the counterpart of our own committee in the House of Representatives.

Chairman Boland writes in strong support of the nomination of John McMahon to be Deputy Director of Central Intelligence.

Also, I have a letter here from Congressman J. Kenneth Robinson, ranking minority member of the House Permanent Select Committee on Intelligence, expressing strong support for John's nomination.

I ask unanimous consent that both these letters be placed in the record.

[The letters from Congressman Boland and Congressman Robinson follow:]

HOUSE OF REPRESENTATIVES,
PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, D.C., May 25, 1982.

HON. BARRY GOLDWATER,
Chairman, Senate Select Committee on Intelligence,
Washington, D.C.

DEAR MR. CHAIRMAN: I write in strong support of the nomination of Mr. John N. McMahon to be Deputy Director of Central Intelligence.

During the past nearly five years of this Committee's existence, it has held frequent meetings with Mr. McMahon. He has impressed me with his honesty, integrity and forthrightness. During those years, he has held several of the most senior, sensitive and responsible positions in the Central Intelligence Agency and he has carried out those assignments in an exemplary fashion.

As the Deputy Director for Operations, Mr. McMahon was responsible for some of the most sensitive operations our nation's intelligence services carry out. Under his guidance, the DDO enhanced its professionalism and reinvigorated its morale.

During his tenure as the Deputy Director for Intelligence, Mr. McMahon carried out a major and long overdue restructuring of CIA's analytic assets, bringing cross-discipline capabilities to bear on key issues in a more effective way.

In recognition of his managerial talents, Director Casey appointed John McMahon to the newly recreated position of Executive Director of the CIA. Now, with the retirement of Admiral Inman, Mr. McMahon has been chosen by the President to become the Deputy Director of Central Intelligence.

When Admiral Inman's name was before the Senate Committee on Intelligence for confirmation as Deputy Director, I wrote to you endorsing him for that position. In doing so, I stressed his attributes of integrity, deep honesty and well reasoned decisionmaking. The Intelligence Community, the CIA and the nation can be gratified that those very same attributes apply to Mr. McMahon.

39

John McMahon is an excellent manager, a widely experienced intelligence officer and a well respected senior government official. I am confident that he will do well in his new assignment.

I am certain that all the Members of the Permanent Select Committee on Intelligence join with me in giving an unqualified endorsement to this fine American for the post to which he has been nominated.

With every good wish, I am
Sincerely yours,

EDWARD P. BOLAND, *Chairman.*

HOUSE OF REPRESENTATIVES,
PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, D.C., May 26, 1982.

HON. BARRY GOLDWATER,
*Chairman, Senate Select Committee on Intelligence,
Washington, D.C.*

DEAR SENATOR GOLDWATER: As the ranking minority member of the House Permanent Select Committee on Intelligence I want to join my Chairman, Congressman Edward Boland in endorsing the nomination of John N. McMahon for the position of Deputy Director of Central Intelligence.

During the past five years I have known and worked with Mr. McMahon I have found him to be extraordinarily responsive, forthright and trustworthy in helping this Committee meet its oversight responsibilities of the Intelligence Community.

John McMahon has set a standard of professionalism and leadership unequalled in the intelligence field. He has distinguished himself as head of the Intelligence Community Staff; as Deputy Director of Operations and Deputy Director of Intelligence as well as Executive Director of the CIA. No other officer of the agency has held so many diverse and key positions and done so in such an outstanding manner.

Mr. Chairman, I can assure you that his service in the position to which he has now been nominated by the President will be of the greatest value to the Congress and to this nation. Mr. McMahon has my full support and I urge speedy confirmation.

Respectfully,

J. KENNETH ROBINSON.

The CHAIRMAN. Now we can begin questioning, and—

Senator WALLOP. Mr. Chairman?

The CHAIRMAN. Senator Wallop?

STATEMENT OF SENATOR WALLOP

Senator WALLOP. I am sorry I was late, but a former POW is having an art show at the Veterans' Administration, and I was asked to the opening of it. He was an Army intelligence officer who spent 4½ years in solitary confinement. I think it is worthwhile to spend time with him and people like him.

The CHAIRMAN. Do you have a statement?

Senator WALLOP. I have a statement, part of which I will read and part of which I will ask to have put in the record.

The CHAIRMAN. All right.

Senator WALLOP. Mr. Chairman, I have no argument with this nomination. Mr. Casey wants Mr. McMahon because he believes Mr. McMahon will do what the country needs to have done. There is nothing in Mr. McMahon's background which disqualifies him and much that recommends him highly.

Mr. McMahon will not have an easy task. Two years ago I had something to do with the platform upon which this President conducted

the campaign for the 1980 election. That platform specifically mentioned that a kind of revolution had taken place in American intelligence just at the time when world events were demanding that it change in ways quite opposite from the ones in which it did. The platform specified some rather drastic measures to undo that revolution and meet the challenges of the 1980's. That was 2 years ago.

Recently around this town there has been a lot of irresponsible talk about threats to civil liberties and the need for professionalism in intelligence. Whether and how the latter and the former are supposed to be related is a mystery. The only clear fact is that the intelligence community today looks much as it did two years ago. Today the agenda laid out by the President's platform is as valid and more urgent than ever. The test of Mr. McMahon's fitness for this job will not come in these hearings but in what he does to faithfully fulfill that platform. Performance is the test of fitness.

In recent weeks a noisy and unenlightening and disturbing debate has surrounded the "quiet resignation" of Mr. McMahon's predecessor. The press, taking aim at Mr. Casey and the President who appointed him has somehow been inspired to write that the sole qualification for holding high office in the intelligence community is professionalism defined as never having had a job anywhere else but in intelligence. Such talk is both hypocritical and wrong.

It is hypocritical because we heard no such talk 4 years ago when a far higher proportion of the intelligence community's high officials had no experience in the jobs to which President Carter had just appointed them. Admiral Turner had never been an intelligence specialist. His Deputy, Frank Carlucci, had been a Foreign Service Officer and a budgeteer. Mr. McMahon, at DDO, had never been a station chief. Dr. Bowie at DDI was a professor from Harvard. Mr. Blee of the counterintelligence staff had no experience as a CI professional. Why was there no outcry? Why weren't CIA bureaucrats scurrying to the press to denounce President Carter and his appointees in intelligence?

Whatever the reason, there was not then the petty bureaucratic treason that we see now. And I will not speculate as to why so many present and former officials of the CIA have objected less to Carter and his appointees than to Reagan and his. That is a secondary matter.

The primary point is that any insistence on bureaucratic qualifications in 1978 or in 1982 is quite wrong. Neither then nor now is one's résumé a sufficient claim or a sufficient disqualification for holding high office. The worst result of the current campaign for "professionalism" in intelligence, however, is that it clouds the bases of legitimacy in government. The only bases for legitimacy are, one, performance, and two, election.

First, performance is paramount. There is no such thing as no-fault government, no such thing as no-fault foreign policy or no-fault intelligence policy. Regardless of an official's résumé, if the area for which he is responsible improves because of his stewardship of it, then that official's tenure is quite justified. If the area is worse or unimproved, the fact that he had previously held a long string of jobs is irrelevant.

Now, I think that the professionals in intelligence, the people who have held high office in the community over the past 20 years, and especially since around 1976, do not have a record of which they can be proud. On their watch this country has suffered shock after shock, surprise after unpleasant surprise. Above all, this country was surprised by the size, scope and purpose of the Soviet military build-up. To this day no one in authority in the community has bothered to explain why this happened and what should be done to keep such things from happening again.

The list of past errors with which professionals have not yet come to grips, much less fixed, is long: The deception concerning Soviet missile accuracy, the Shadrin affair, et cetera.

My point, like that of the President's platform, is that while today we need competent performance from the CIA more than we needed it 10 years ago, we sometimes are less confident of getting it. The professionals have a lot to answer for, and it is safe to say that the public's verdict on the last two decades of the intelligence professional's judgment is not complimentary. The feeling that something was wrong with intelligence, and the public's confidence in Governor Reagan's ability to fix it, may not have been a major cause for the outcome of the 1980 election, but that feeling certainly contributed to the outcome.

Second, the second basis of legitimacy is election, the President's election. President Carter had both a legal and a political right to reshape American intelligence according to his best lights. So does every President who holds that office. What he builds is then tested in the crucible of events, and its worth or lack thereof is proved. President Carter accomplished what he wanted. I think events showed his program to have been ill-advised. President Reagan ran on a platform which said certain things in intelligence ought to be done differently. So let the President's changes be pursued faithfully and let them be judged by the fruits that they bear. Such a judgment will be impossible if they continue to be ignored, pushed aside or sabotaged in the name of professionalism.

Now I would ask that remainder of my statement which has some words of praise and admiration for Mr. McMahon be inserted in the record.

Mr. McMAHON. That's all right. You can say them, Senator.
[The prepared statement of Senator Wallop follows:]

PREPARED STATEMENT OF HON. MALCOLM WALLOP, A U.S. SENATOR FROM
THE STATE OF WYOMING

Mr. Chairman. I have no argument with this nomination, Mr. Casey wants Mr. McMahon because he believes Mr. McMahon will do what the country needs to have done. Nothing in Mr. McMahon's background disqualifies him. Much recommends him highly. We will see soon enough whether Mr. McMahon's performance vindicates or impeaches Mr. Casey's judgment.

Mr. McMahon will not have an easy task. Two years ago I had something to do with the platform on which this President conducted the campaign for the 1980 election. That platform specifically mentioned that a kind of revolution had taken place in American intelligence just at the time when world events were demanding that it change in ways quite opposite from the ones in which it did. That platform specified some rather drastic measures to undo that revolution and meet the challenges of the eighties. That was two years ago. Recently there has been a lot of irresponsible talk about threats to civil liberties and the need for professionalism in intelligence. Whether and how the latter and the former are supposed to be related is a mystery. The only clear fact is that the intelligence community

today looks much as it did two years ago. Today, the agenda laid out by the President's platform is as valid and more urgent than ever. The test of Mr. McMahon's fitness for this job will not come in these hearings but in what he does to faithfully fulfill that platform. Performance is the test of fitness.

In recent weeks a noisy, unenlightening, and disturbing debate has surrounded the "quiet resignation" of Mr. McMahon's predecessor. The press, taking aim at Mr. Casey and at the President who appointed him, has somehow been inspired to write that the sole qualification for holding high office in the intelligence community is professionalism, defined as never having had a job anywhere but in intelligence. Such talk is both hypocritical and wrong.

It is hypocritical because we heard no such talk, four years ago, when a far higher proportion of the intelligence community's high officials had no experience in the jobs to which President Carter had just appointed them. Admiral Turner had never been an intelligence specialist. His deputy Frank Carlucci had been a Foreign Service officer and a budgeteer. Mr. McMahon, at DDO, had never been a station chief. Dr. Bowie, at DDI, was a professor from Harvard. Mr. Blee at the Counterintelligence staff had no experience as a C.I. professional. Why was there no outcry? Why weren't CIA bureaucrats scurrying to the press to denounce President Carter and his appointees in intelligence?

Whatever the reason, there was not then the petty bureaucratic treason that we see now. I will not speculate as to why so many present and former officials of the CIA have objected less to Carter and his appointees than to Reagan and his. That is a secondary matter.

The primary point is that any insistence on bureaucratic qualifications, in 1978 or in 1982, is wrong. Neither then nor now is one's résumé a sufficient claim or a sufficient disqualification for holding high office. The worst result of the current campaign for "professionalism" in intelligence, however, is that it clouds the bases of legitimacy in government. The only bases for legitimacy are (1) performance and (2) election.

(1) Performance is paramount. There is no such thing as no-fault government, no such thing as no-fault foreign policy or no-fault intelligence policy. Regardless of an official's résumé, if the area for which he is responsible improves because of his stewardship of it, then that official's tenure is justified. If the area is worse or unimproved, the fact that he had previously held a long string of jobs is irrelevant.

Now, I think that the "professionals" in intelligence, the people who have held high office in the community over the past twenty years, and especially since circa 1976 don't have a record of which they can be proud. On their watch this country has suffered shock after shock, surprise after unpleasant surprise. Above all this country was surprised by the size, scope and purpose of the Soviet military build-up. To this day no one in authority in the community has bothered to explain why this happened and what should be done to keep such things from happening again. The list of past errors with which the professionals have not yet come to grips, much less fixed, is long: the deception concerning Soviet missile accuracy, the Shadrin affair, etc. My point, like that of the President's platform, is that while today we need competent performance from CIA more than we needed it ten years ago, we are less confident of getting it. The "professionals" have a lot to answer for. It is safe to say that the public's verdict on the last two decades of the intelligence professional's judgment is not complimentary. The feeling that something was wrong with intelligence, and the public's confidence in Governor Reagan's ability to fix it, may not have been a major cause for the outcome of the 1980 election, but that feeling certainly contributed to the outcome.

(2) The second basis of legitimacy is election—the President's election. President Carter had both a legal and a political right to reshape American intelligence according to his best lights. So does every President. What he builds is then tested in the crucible of events, and its worth, or lack thereof, is proved. President Carter accomplished what he wanted. I think events showed his program to have been ill advised. President Reagan ran on a platform which said certain things in intelligence ought to be done differently. So let the President's changes be pursued faithfully, and let them be judged by the fruits they bear. Such a judgment will be impossible if they continue to be ignored, pushed aside, or sabotaged in the name of professionalism.

The ills which were there two years ago are still there: a collection system which would be mostly swept off the board in a major war, a data base on the Soviet Union's political and technological developments, and production programs that virtually guarantees we will suffer major surprises in the future. We

have an analytical system capable of arguing—on the front page of the Washington Post no less—that yes the Soviet Union does have mobile SS-16 missiles at Plesetsk, and yes they're ready to shoot in case of war, but no, they're not deployed! We do not have a counterintelligence system, just a lot of disjointed activity in the field. How people in this field can give the U.S. any assurance of protection against the KGB and the other manifold threats that face us without central all-source analysis is truly mystifying. As for covert action, the proposals I've seen lead me above all to ask "so what?" The Agency may be able to carry them out—they're usually feasible—and they're also usually well-intentioned attempts to help out American foreign policy. But do they make a difference? I really hesitate to put the country's money and prestige on the line for things that don't make a difference.

Most disturbing, the intelligence bureaucracy appears to be digging in its heels against improving its performance under the banner of professionalism and by uttering indistinct incantations regarding civil liberties.

All of this is to say that much must be expected from anyone occupying the job Mr. McMahon is about to occupy: insight, fidelity to the ideas of the President who appointed him, and ability to bend the bureaucracy away from self-indulgence and toward the country's service.

I wish Mr. McMahon the best of luck and offer my support.

Senator WALLOP. I want just to conclude by saying that I have strong admiration for John McMahon. My problem is this idea that we can only have a professional in that job. After all, this is a government of men. One of the things which everybody thought was wrong in the CIA of the past was that nobody from the outside ever touched it. I just wanted to point out what appears to me is some contemporary hypocrisy. I believe that we are now going in the right direction. I believe it is a good nomination. I believe John McMahon will do a good job in there. But we ought not to fool ourselves that that is the only way in which that job could have been given out.

The CHAIRMAN. Thank you very much, Senator.

COMMITTEE QUESTIONING

We will begin questioning by Senator Moynihan.

Senator MOYNIHAN. Thank you, Mr. Chairman.

I have three questions of which the third might wait for a second round. I will ask two.

The first question, Mr. McMahon, in open session will be the first I asked yesterday in private session. In your opening statement you said that there were two purposes of oversight, the first, to assure the American people that activities which are of necessity undertaken in secret are being monitored by their elected officials. As you know, that oversight function necessarily involves a trust relationship between the committee and the community because we cannot know what we are not told, and therefore we must trust to the leaders of the community to inform us.

And therefore I ask you on your solemn oath before this committee, can we have confidence that should at any time in your tenure you learn that either by intent or by mischance this committee has been given wrong information about intelligence activities or that important information has been withheld from this committee, and regardless of whether this is the act of persons below or above you, you will feel it your professional duty and your duty under law to inform this committee of that fact.

Mr. McMAHON. Yes, sir, Senator Moynihan, I subscribe to the statement that I made that I pledge to keep the committee fully and

currently informed, and in doing so, I really mirrored the words of Director Casey during his testimony before this committee when he was confirmed. And it is the intent I think of every intelligence officer to make sure that this oversight committee receives the information it deserves to have and needs.

Senator MOYNIHAN. And you will not hesitate to come before us and say, gentlemen, you have been misled, or gentlemen, there are things you should have been informed of which were withheld from you.

Mr. McMAHON. If I am aware that you had been misled, I would correct it.

Senator MOYNIHAN. Fine. That is what you said yesterday, and we believe completely that you would do it.

Now, the second question, sir. You said that the second duty of the oversight committees is to assure that the intelligence officers who undertake the activities, often dangerous and difficult, have the support of the Congress and the resources they need to do their work.

Could I ask, do you feel that over the past 6 years in the effective life of this committee that that function has been served as well? Put more directly, do you feel that over the past 6 years the long running down of our intelligence resources has been reversed and that a fairly steady, continuous rebuilding has taken place?

Mr. McMAHON. Yes, sir, I think the downward trend has been reversed, principally on the initiatives of the Congress a couple years ago that saw that we had drawn down too far and began to press for the turnaround.

We still have a long way to go, and Congress has supported us in our requests before it to increase the resources we need. So I am very optimistic about the relationship that exists, with the appreciation and the understanding that the oversight committees have toward our needs and the job that we are trying to do.

Senator MOYNIHAN. I do not want to press you, but we might as well get this on record since the matter was raised. I certainly would not—I was surprised to hear it raised, but it was. You say this reversal began a couple of years ago, by which you mean?

Mr. McMAHON. About for the fiscal year 1980.

Senator MOYNIHAN. For the fiscal year 1980.

Mr. McMAHON. Fiscal year 1980.

Senator MOYNIHAN. You do not mean January 20, 1981.

Mr. McMAHON. No, sir.

Senator MOYNIHAN. Of course you do not, because that is not the case. This has been a continuous development. It took some time to get it into the fiscal 1980 budget, which began in 1979. The turnaround has been the work of a bipartisan committee, and I know that under our chairman it will remain a bipartisan committee.

And I thank you very much for your answer, sir.

Mr. Chairman, I have one other question on verification that I would like to get to after everyone has had a chance.

The CHAIRMAN. You go right ahead now. That is all right.

Senator MOYNIHAN. Well, then, I will, because the issue of verification is so central to my judgment, and I think to yours, about the nature of the intelligence community and Mr. McMahon's work.

Do you feel that the verification capacities of the intelligence community are adequate to the kinds of arms agreements we have reached with the Soviets and the kinds we are likely to reach?

Now, I know you cannot answer the second part of that question precisely, so why do we not go back to a specific agreement and give you a peg on which to hang your answer.

Mr. McMAHON. If we could go back, Senator Moynihan, to—

Senator MOYNIHAN. Could I just say, to be specific, one of the reasons the Senate demurred on SALT II was the feeling that there had been losses sustained in our verification capacity.

Would it be your judgment that we have restored that verification capacity to a level adequate to the purposes of, let us say, SALT II, and do you think that we are moving in the direction of enhancing it further?

Mr. McMAHON. That is a difficult question to answer in a complete and full manner given the unclassified nature of this hearing.

The verification issue is not standing still. Some capacities are eroding, other capacities are being brought on line, but by the same token, the Soviets are doing things a little differently, and so what was true last year or 2 years ago may not necessarily be true today. And it is difficult to give you an answer on verification until we know the parameters of what we are trying to verify and the arrangement of any treaty that may take place.

I think we can give you a more satisfactory answer, Senator, in the privacy of your chambers or in a closed hearing.

Senator MOYNIHAN. Which of course we know, but it would help us if you felt free to say what I think, which is that there have been capacities added, and there are further capacities in prospect.

Mr. McMAHON. That is true, but by the same token, the Soviets are also doing things a little differently which may not permit systems that worked years before to work now.

Senator MOYNIHAN. Well, both things are true. It is not a static situation, but we are in a different situation from that of 1979, and with respect to 1979, a better position, would you not say?

Mr. McMAHON. I did not hear your last part, sir.

Senator MOYNIHAN. With respect to 1979, speaking just of our capacities, we are better off than we were, but the situation has changed, and so have we.

Mr. McMAHON. We are better off if we were trying to verify those things that we were trying to verify then.

Senator MOYNIHAN. Exactly.

Mr. McMAHON. But that may not be the case today.

Senator MOYNIHAN. And those changes are what you have to have uppermost in your mind and be looking for all the time.

Mr. McMAHON. Yes, sir, we do.

Senator MOYNIHAN. I am glad you are there.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Wallop.

Senator WALLOP. Thank you, Mr. Chairman.

Mr. McMahon, what does the term "competitive analysis" mean to you?

Mr. McMAHON. Well, it brings to mind a lot of squabbles that never really resolved some things, but we have matured since then, Senator Wallop, and "competitive analysis" means several things. It means as the President wanted, that we make use of competitive analysis within the intelligence community to bring all agencies with knowledge on a given problem to contribute to the analysis of that problem. It also means bringing in outside experts so that the mind sets which may exist within the intelligence community do not prevail. And it also means that we make available to our analysts all the capabilities that exist in the United States, intelligence, academic and industrial.

Senator WALLOP. Let me ask you, do you believe that the academic world can make a significant contribution to the intelligence processes of the United States?

Mr. McMAHON. They certainly can and they have considerably. What was unfortunate in years past was that the academic world turned away from intelligence during Vietnam and the Vietnam aftermath. I must say that since then there is less pressure on the campus to stay away from intelligence, and the academicians are bringing forth their knowledge to us. We are integrating that into our overall analysis, and I think that is a very healthy situation.

Senator WALLOP. Is their attitude more helpful than it was?

Mr. McMAHON. The attitude is very favorable.

Senator WALLOP. On the campuses?

Mr. McMAHON. Yes, sir.

Senator WALLOP. Let me just switch briefly to the world of counter-intelligence.

What does the term "coordinated counterintelligence" mean to you?

Mr. McMAHON. Well, "coordinated" basically means that all concerned parties have had a say in whatever you are addressing. It does not mean that you have arrived at a consensus. There may be differences of opinion, but at least everyone that has a stake in the issue has been aware of the problem and their opinions have been voiced.

Senator WALLOP. Does the President's mandate to study possible changes in the way the community conducts its counterintelligence, does that signify to you a mandate to handle it in a way that is fundamentally different from the way it is at present, and if not, why not?

Mr. McMAHON. Not yet, Senator Wallop, and it may be because our thinking has not evolved to that maturity as yet.

You must bear in mind—and I don't mean to preach—but the President's platform does not drive the intelligence community until the incumbent President and the National Security Council give us directives, and right now, to that end, to the very point that you are concerned about, the National Security Council has directed us to review the counterintelligence programs of the United States, to look at the threat that exists here, to try and assess what ought to be done in the sense of goals to address that threat, what capabilities we have to bring to bear on the threat, and the difference will be the gaps where we need resources and adjustments.

When we address the adjustments is where one may decide to require some tweaking or reorganization, but right now we are just doing a plain study, trying to account, get the facts.

Senator WALLOP. Well, what sort of timeframe do you anticipate?

Mr. McMAHON. I believe that the first phase of that study, which will give us a feel for the threat and the capabilities, will be completed in July of this year.

Senator WALLOP. Will this Committee be made aware of the recommendations that might come down?

Mr. McMAHON. I believe that Admiral Inman in earlier testimony had assured the committee that you would be made aware of the outcome of that study.

Senator WALLOP. Does that include the concept of technology transfer as well?

Mr. McMAHON. At the moment we have included technology transfer. There is a lot of attention right now in the Intelligence Community, in the Government at large, trying to stem the tide of the transfer of technology which is awesome.

Senator WALLOP. It is awesome. Much of it has to do with the same sorts of techniques, though, does it not?

Mr. McMAHON. I'm sorry, sir, I didn't hear you.

Senator WALLOP. Well, counterintelligence and the tracking of technology transfer.

Mr. McMAHON. The large volume of technology transfer is done in overt ways. What frightens us is that a great deal of very significant technology which has military application is done through illegal trade or through clandestine operations, and it is in these clandestine operations where counterintelligence would be needed.

Senator WALLOP. Suffice to say, as you know, in the Budget Subcommittee we have been pushing more than a little bit in that direction.

Mr. McMAHON. Yes, sir, you have.

Senator WALLOP. We have tried to give more support than perhaps has been asked for. This has also been the case in a lot of the community's operations, not only there.

I wish you well in your job. I have no doubt but what you will be confirmed in it, and obviously the committee stands prepared to help.

I would just say this for the record. I doubt that the problems that the intelligence community had as a result of nonoversight by the Congress could happen now because, aside from anything else, you have enough people in the Congress who are advocates of the need for intelligence and understand what intelligence is all about. I for one, know there is risk in having this many people aware of the many things that the country does in a secret way, but clearly there is great benefit in it, too. I know you share that feeling.

Mr. McMAHON. Yes, I do, sir.

Senator WALLOP. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Huddleston?

Senator HUDDLESTON. Thank you, Mr. Chairman.

Mr. Chairman, I think some of the statements that have been made already today indicate what I consider to be one of the major concerns about the intelligence operations and maybe one of the most detrimental trends in recent times, and that is the politicizing of our intelligence operation. And I am not talking so much about the appointments to the various positions as I am the use of the intelligence product. And I have noted and watched this develop over recent years. I certainly would not place the blame on any particular group of

politicians, but as an example I would cite the Carter administration's press conference and revelation of the development of the Stealth airplane activity. I think during the Presidential elections there was a considerable amount of selective leaking, there was a considerable amount of the use of the intelligence product in a limited way to try to support one particular position or the other.

I see this as probably the most damaging development as to our intelligence operations that has occurred over the last decade, at least, and I know that you recognize that intelligence estimates have to be, certainly should be scrupulously objective. If justice needs to be blind, in my judgment, so does intelligence, and to try to mold the intelligence product to fit some preconceived notion or some preposition taken by any element of the Government seems to me to be a very dangerous thing.

Translating that into an actual policy sometimes is more difficult, I think, than just stating it, but as Deputy CIA Director in charge of analysis last year, I am sure you have had to deal with that. In your new position what role will you play in assuring the independence of intelligence analysis from any kind of partisan or ideological bias?

Mr. McMAHON. In truth, Senator Huddleston, I really don't have to play the role. The greatest protection that exists to address your concern is the intelligence community itself. The analysts are very independent people. They call them as they see them, and our job is to produce intelligence the way we see it, whether it fits any particular mold or not.

I think the American people can be satisfied that we have done that over the years. We may have been wrong at times, but that was one of competency and knowledge, certainly not one of trying to skew the facts. And I just don't see that as a threat, I would certainly be alert, and we would rebuff any attempts to cause that to happen.

Senator HUDDLESTON. But you have no control of it once you have made your recommendations.

Mr. McMAHON. Once we publish it, sir, it is gone.

Senator HUDDLESTON. What happens then?

Can we depend on you to let us know, that is, the committee itself, if there are undue pressures to distort in any way the intelligence estimates that you are required to make?

Mr. McMAHON. I do not know if I would advise the committee, but I think I would resign if I were pressured to do something that I felt I could not do.

Senator HUDDLESTON. You would tell us why you resigned, would you not?

Mr. McMAHON. Maybe after the fact.

Senator HUDDLESTON. Last year the National Intelligence Council, which writes the estimates, was taken out of CIA and put under direct control of the Director of Central Intelligence.

Does this mean that national estimates are now the responsibility of the Director and that they are supposed to reflect his views, and are there any advantages or disadvantages to this arrangement?

Mr. McMAHON. This is an item which the Director and I debated long and hard because at the time that happened I was in charge of the national foreign assessments, and I did not want it to happen out of the symmetry of management. The Director wanted to have it be-

cause he felt that intelligence was so vital, so important that it should not be left to one person to manage and control. And so by having the NIO's separate under himself, he could insure that he could get a balanced view coming out of the Agency on one hand, coming out of the rest of the intelligence community and the NIO's on the other. And it was just his way of assuring that all alternative views or competitive analysis, as Senator Wallop referred to, bubbled to the top.

And from the end result, I have to say that it is successful. In the duty of managing it, that remains very difficult.

Senator HUDDLESTON. In other words, it is working that way.

Mr. McMAHON. Yes, sir.

Senator HUDDLESTON. Do you think whether it continues to work that way will depend on who the Director might be from time to time?

Mr. McMAHON. No, I think it depends on how the national intelligence officers interface with the analysts who are basically doing their work for them.

The Director is a mechanism by charging the—stating the problem and then receiving the intelligence. He doesn't get in there and manipulate the intelligence in this process. And the NIO's, you must remember, Senator, represent the entire intelligence community. So they bring their input not only from CIA but also from the Army, Navy, Air Force, DIA, and State Department, and where their various views come forth is at a National Foreign Intelligence Board. When an estimate is considered by the board, the Director insists that all the principal managers of each agency set forth his position, even though the estimate may end up being slightly different. And he also directs that alternate views be included in the estimate so that policymakers can see that there are varying views, and if there are minor issues, then they are taken as footnotes.

Senator HUDDLESTON. And you are comfortable then with the way it is working?

Mr. McMAHON. I am extremely comfortable with the integrity of our intelligence process today.

Senator HUDDLESTON. Now, back again on the level that I was discussing a moment ago, earlier this year we saw in the effort to support, to win public support for certain of our Latin American policies, a press briefing in which a Nicaraguan prisoner was supposed to verify what we had been indicating was our intelligence on the situation. That turned out to be something less than successful and satisfactory.

I am just wondering after that experience what your judgment is on the advantages or disadvantages of attempting again to use certain intelligence to influence public opinion?

Mr. McMAHON. I think all intelligence has to influence public positions. That is indeed why we exist, in order to make sure that the proper decisions can be made, and we pass that intelligence to Congress so that they can in turn act accordingly.

I think you will find inherent in any intelligence organization a certain reluctance to take selective events and publicize them. We would prefer to provide intelligence and let the policymakers treat the intelligence as they see fit.

Senator HUDDLESTON. Sometimes you have some concern about the manner in which it is used, I take it.

Mr. McMAHON. Occasionally.

Senator HUDDLESTON. Now, Mr. McMahon, yesterday in our closed session we talked at some length about the President's new executive order, and the area in which Senator Wallop has already discussed to a degree of the operations within the United States of the CIA. You mentioned that you are still in the process of studying that, determining where the responsibilities ought to be.

Are you working with the FBI in this area?

Mr. McMAHON. Very much so. What we have done, Senator Huddleston, is that we have drawn up procedures for implementing the President's Executive order, Order 12333, and have done that in concert with the FBI. After the Director and Judge Webster signed off jointly on those procedures, we forwarded them to the Attorney General where they are being reviewed at the moment.

Senator HUDDLESTON. Can we count on being informed whenever intrusive techniques are used against Americans at home, this committee?

Mr. McMAHON. I don't think CIA will ever be involved in intrusive techniques against Americans here in the United States—

Senator HUDDLESTON. Well, my question was—

Mr. McMAHON. And should there be a requirement to do that, that would require the FBI to do it, it would probably be done with a court warrant.

Senator HUDDLESTON. My question was, if the CIA should do it, would we be informed?

Mr. McMAHON. You definitely would.

Senator HUDDLESTON. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Bentsen, do you have questions?

Senator BENTSEN. I have no questions, Mr. Chairman.

DUTIES OF DEPUTY DIRECTOR

The CHAIRMAN. Well, no other Senators being present right now, I have a couple.

Has there been any understanding reached with the DCI or other senior administration officials about your duties and responsibilities as Deputy Director?

Mr. McMAHON. The Director certainly talked to me about those duties and what his present desires are is that I become an alter ego to him and be able to bring the experience that I have both in the community as well as in CIA to him. We haven't divided up the pie, so to speak, as to what is his and what is mine since as Director he is responsible for everything, but I think I can be a great deal of help to him, particularly in the community, as well as in operations and some of the analytical work.

The CHAIRMAN. Thank you.

What role do you intend to play in the day-to-day management of CIA?

Mr. McMAHON. The day-to-day management will principally fall to an executive director who will be appointed to replace me. Because of my background and interest, I think I will keep a close eye on that operation, but the vastness of that job requires that a person devote himself principally to running the CIA on a day-to-day basis.

RECRUITMENT PROCESS

The CHAIRMAN. First let me ask you how are you getting along with recruiting new people, particularly younger people, to come in the CIA?

Mr. McMAHON. We are doing very well, Mr. Chairman, and I must say that I am gratified at the caliber and quality of the recruits that we are bringing on board.

Our greatest problem is our own, and that is the time that it takes to process people into the Agency. As you know, the Agency has very stringent standards that are both physical and mental as well as security standards, and that processing often takes an inordinate amount of time. As a result, a number of the good people that we would like to bring on board cannot wait that long and go elsewhere. We lose about 20 percent of those that we want in that fashion.

If I could give you a yardstick, I would say that for every six people that we decide we want and we put them in process, we bring one on board.

The CHAIRMAN. Are you replenishing the losses you went through—the level that I call the assessors, the people that you lost during the period of the Church hearings who did your assessing work on the intelligence submitted—are you replenishing those forces?

Mr. McMAHON. Yes; we are, but as can be expected, you cannot bring people in, the volume of people you want to bring in with the experience level, so you have to bring in often young people who are well trained, well talented, but they do not have the experience, and it will just be a grooming process as they mature to bring them on line, so to speak.

The CHAIRMAN. Well, that takes, what, 10 years to train a person for that?

Mr. McMAHON. No; it would not take that long.

A great deal of it depends on the individual's experience in the country that we may have him working in, if he has the language, if he has some experience traveling there or living there. So it varies, and I don't think I can give you a pat answer which would be accurate.

The CHAIRMAN. You are upgrading language training, aren't you?

Mr. McMAHON. Yes, sir; we are giving priority to that. Academia let us down, Mr. Chairman. Years ago they decided that it was not necessary to have a language for graduate degrees, and as a result a number of the students coming to us have never had any languages. So we have to bring them on board and train them ourselves, which is another year or two out of their useful life, so to speak, and their productive capacity.

The CHAIRMAN. Do you have the policy over there of promoting from within so young people can say I'm going to make this my life's work or my career because the ladder is there and I can go up it?

Mr. McMAHON. I think that is very much the case, and the subject before you is a living example of that.

One thing that the Agency does do, it does bring people in at lateral transfer so that we can bring talent in at whatever level. That is from supergrade on down, but the bulk of our promotions are from within, sir.

The CHAIRMAN. Of course, as you know, the secret of any successful organization is the people in it, and if you have groups of happy people, you have a pretty good job going. If they are not happy, it is a difficult job.

Mr. McMAHON. You are absolutely correct, Mr. Chairman.

The CHAIRMAN. President Reagan's Executive order requires new procedures for the collection, storage, and dissemination of information about American citizens. This includes the use of intrusive methods like wiretapping Americans abroad, searching the property of Americans without a warrant, and infiltrating domestic organizations.

Now, will you make sure that this committee is informed of the new procedures, before they are implemented?

Mr. McMAHON. We have a commitment before this committee that the procedures will be given to the committee and they will not be implemented for at least 7 days.

FOIA LEGISLATION NEEDED

The CHAIRMAN. Do you think we need legislation to remedy the intelligence family's problems with the FOIA?

Mr. McMAHON. I certainly do, Mr. Chairman. It is one of the most chilling pieces of legislation we have before us. I think it does not serve the American people well, and it is a tremendous impediment to intelligence organizations. It has frightened away agents. We have had agents quit because of it. We have had would-be agents reluctant to join us, and equally important, we have had a lot of friendly governments who really do not want to do business with us for fear that their information would end up in a release.

I would certainly urge this committee and Congress as a whole to give us the relief that we need from FOIA.

SHARING OF INFORMATION

The CHAIRMAN. Thank you.

There was much discussion a while back about the use of American journalists, clergy, missionaries, or academics, and understandably, without their permission, they would have some reluctance to volunteer.

Do you not think you could use these people with their permission for the furtherance of intelligence?

Mr. McMAHON. We certainly could use them. Journalists are a tremendous wealth of information, and we would be more than happy to have access to their knowledge. We presently have a policy that forbids us to have any contract or arrangement with accredited journalists in the United States, or U.S. journalists abroad, and it is a commitment which the Agency has made, and it is presently the Director's policy to continue that.

The CHAIRMAN. Well, if any one of these categories that I have mentioned wanted to volunteer information, could they?

Mr. McMAHON. We can always accept information voluntarily, presuming that the person knows that they are giving it to CIA and we know that they are voluntarily giving it to us.

The CHAIRMAN. Have you ever encouraged the Members of Congress to make available to you whatever observations they may develop after traveling in other countries?

Mr. McMAHON. Yes, sir, we have, and we find that is a wealth of information. When Senators and Congressmen return from abroad, they usually permit us to have a debriefing. They tell us their observations and their feelings and the environment which they see in those countries, and that is very helpful to our analysts.

The CHAIRMAN. Well, thank you.

Senator MOYNIHAN. Could I ask you just one quick follow-on question?

The CHAIRMAN. Certainly.

Senator MOYNIHAN. Just to be clear, Mr. Chairman, there is a headquarters regulation at CIA that if you use the services of American journalists, clergy or missionaries that it must be on a voluntary basis, and even so, the Director has the right to waive that rule, with respect to journalists only, isn't that the case?

Mr. McMAHON. Yes, sir.

Senator MOYNIHAN. And I believe Admiral Turner made public the fact that he had issued three waivers in his time, but that, in the event, nothing had happened.

Mr. McMAHON. Yes, sir.

Senator MOYNIHAN. You will continue to see that we are informed when there are waivers.

Mr. McMAHON. Yes, sir, we will.

Senator MOYNIHAN. Fine. I think the press has a right to know that if there is such a waiver, at least we know, and of course the individual knows.

Mr. McMAHON. You will know.

Senator MOYNIHAN. Fine.

Mr. Chairman, could I say that there may be other questions, but I believe Mr. McMahon today has been as open with us in public as we could ever expect him to be. He was singularly so yesterday in our closed hearing.

Mr. Biden has arrived; I am sure there will be some more questions.

The CHAIRMAN. Do you have questions, Joe?

Senator BIDEN. No, I do not. I have had a chance to meet at length with the nominee, and I am satisfied. At the appropriate time, when we vote or just before we vote, I would like to make a brief statement.

THOROUGH BACKGROUND REVIEW

The CHAIRMAN. Thank you.

The question has been raised as to whether we should vote for Mr. McMahon today or whether we should wait until after the Senate recess. In addressing this question, I think that Senators should bear in mind that the committee has been quite thorough on this nomination.

For example, we have taken the following actions with regard to Mr. McMahon's nomination: Devoted a full 30 days to consideration of his nomination before scheduling hearings; held a closed as well as a public hearing so that all aspects of his background could be examined in detail—Admiral Inman had only one public hearing; assigned four senior staff members to read his complete personnel file and security file at the CIA; submitted both a comprehensive committee questionnaire and follow-up questions from the staff, both of which have been responded to in writing before the hearings were held—this has

not been done in recent years; and inquired of other committees, CRS and other agencies of Government about Mr. McMahon.

On the basis of this effort, we have not been able to uncover any factual information which would reflect adversely on Mr. McMahon. For these reasons, it seems to me that we should proceed with the vote.

Well, I think this is about as many members as we are going to have present. We do have a cloture vote coming up some time, and before we vote I would like to remind our members that rule 5.6 of our Rules of Procedure requires that "The Committee vote on the confirmation shall not be sooner than 48 hours after the Committee has received transcripts of the confirmation hearing unless the time limit is waived by unanimous consent of the Committee."

Now, because we are faced with the Memorial Day recess, I ask unanimous consent that we suspend this rule for purposes of the nomination of John McMahon.

Mr. MOYNIHAN. Mr. Chairman, reserving the right to object—and I will not object—can I just ask one detail, which is that it was the judgment of the Staff Director, and I think a wise one, that just for the routine of the matter we ask that there be an FBI background check¹ of Mr. McMahon as we do on all other appointees.

That has not arrived yet, but it will have arrived by the time the nomination is taken up on the floor.

The CHAIRMAN. Yes.

Mr. MOYNIHAN. Could we have that understanding?

Senator HUDDLESTON. Mr. Chairman, may I inquire whether or not it is the intention that the nomination be taken up on the floor prior to the recess?

The CHAIRMAN. Oh, no, I do not think we possibly can do that.

Senator HUDDLESTON. There is no way to do that.

The CHAIRMAN. No way. We have to get the report out. It will be after the recess before we can vote.

Senator HUDDLESTON. Thank you, Mr. Chairman.

The CHAIRMAN. Well, we have proxies and enough members here. If you would like to make a statement, Senator Biden?

STATEMENT OF SENATOR BIDEN

Senator BIDEN. If I could.

I would like to make a few brief comments from my prepared statement and ask that the entire statement be put into the record.

The CHAIRMAN. That will be done.

[The prepared statement of Senator Biden follows:]

PREPARED STATEMENT OF HON. JOSEPH R. BIDEN, JR., A U.S. SENATOR FROM THE STATE OF DELAWARE

I would like first to congratulate Mr. McMahon not only on his nomination to this vitally important post but also on his outstanding service to the Central Intelligence Agency and the United States over the past thirty years. Although at times during the last decade the CIA has been a controversial and beleaguered agency, it bears emphasis that the function of the CIA is absolutely essential to our national security and that its personnel are among the most competent and conscientious in government. Mr. McMahon exemplifies this kind of performance

¹ Subsequent to this hearing an FBI background check as required was provided to the committee.

and character. I think it is fitting that, in this instance, the nominee has been drawn from the ranks of the agency. We therefore have an opportunity for the American public to scrutinize in some detail the career record of this exemplary CIA officer and to realize the high standard of the individuals that constitute that agency.

Mr. McMahan, as we discussed in our meeting last week, your upcoming task is made a little more difficult by virtue of the individual who preceded you in its execution. Admiral Inman was in many respects the ideal intelligence officer. He combined a vast knowledge of the technologies of modern intelligence collection, a dispassionate understanding of the geo-political complexities of the 1980's, and an unusual gift for leading and motivating sprawling organizations. As an individual, Admiral Inman unfailingly displayed only the highest levels of character, personal strength, and candor.

During his tenure at various high-level positions in the intelligence community, Admiral Inman frequently provided sound testimony to this Committee and wise counsel to its individual members. His explanations and judgments were clear and directly to the point. They were comprehensive. Most importantly, however, they were forthright.

There was never any attempt to simply mouth those judgments which would be the ones that he might have thought the Committee wanted to hear. Nor was there any attempt to cover up intelligence mistakes through bureaucratic obfuscation. There was no attempt to attenuate intelligence blind spots through the iteration of prevailing or insipid slogans.

Of equal importance, however, your predecessor had the high principles, the professionalism, and the sense of proportion to insist that U.S. intelligence collection efforts respect the civil liberties of U.S. citizens. He had the insight to realize that the intelligence community could retain the support of the Congress and the American people only so long as it scrupulously respected the Constitutional rights of Americans. Only so long as the community applied itself to legitimate threats could the intelligence agencies marshal their forces in effective fashion.

Mr. McMahan, I describe the merits of your predecessor only in order to emphasize the importance which this Committee attaches to a full cooperative, competent, and forthcoming attitude on the part of intelligence officers.

Frankly, there have been instances over the last year-and-a-half when I have felt that the intelligence community did not fully meet these standards. There have been, for example, instances when, to put it mildly, there has been what we might call "heightened political awareness" exhibited in intelligence analyses. Put more directly, there have been occasions when intelligence has been politicized to support this Administration's policies.

We hear in regard to El Salvador, for example, public statements such as "Although we can't disclose the intelligence information, trust us. We are doing the right thing in El Salvador" or "If you, the American public, knew what we know through intelligence about communist involvement in Central America, then you would support what we are doing in regard to Nicaragua and El Salvador."

Well, as a member of the Intelligence Committee, I do, or at least think I do, have access to this intelligence information. I don't think these matters are so clear cut. I would, in fact, feel more secure if in this instance, there were more dispassionate intelligence analysis of current developments in Central America. It would be more helpful if there were better understanding of how these events fit into large historical, cultural, and economic trends in this hemisphere and how they truly effect enduring U.S. national interests. When intelligence becomes too assertive and over-simplified in order to support the particular policies of the moment, then America's fundamental long-term interests are not being met.

The foreign policy and national security issues with which the United States must grapple are complex enough. We cannot afford a situation in which members of the Intelligence Oversight Committees have to make regular assessments of the objectivity and accuracy of U.S. intelligence reporting.

Finally, Mr. McMahan, I am somewhat re-assured by your repeated statements insisting that intelligence activities respect the civil liberties of U.S. persons. As the controversy surrounding the drafting of the new Executive Order on Intelligence Activities showed, there is evidently a certain hard headedness on the part of some personnel in the intelligence agencies who are unable to benefit from lessons of experience. You evidently realize well that the potential dangers to the

U.S. are large and our needs for foreign intelligence extensive. Our security is in no sense strengthened if intelligence assets are squandered in whimsical witch-hunts or fanciful schemes.

I hope, Mr. McMahon, that the ability and professionalism which you have displayed so consistently will continue to the great advantage of the intelligence community and the United States.

Senator BIDEN. First of all, I would like to congratulate you, Mr. McMahon.

Mr. McMAHON. Thank you, Senator.

Senator BIDEN. Not only on your nomination to this vitally important post, but also on your 30 years of service for this Government. It is going to be interesting seeing the FBI check on you. [General laughter.]

Mr. McMAHON. I'm clean, Senator.

Senator BIDEN. Just out of curiosity I am anxious to see that.

Mr. McMAHON. You will find it very dull.

Senator BIDEN. Mr. McMahon, as we discussed last week, your upcoming task is made a little more difficult, in my opinion, by virtue of the individual who preceded you in this post. Admiral Inman was, in many respects, the ideal intelligence officer. He combined a vast knowledge of the technologies of modern intelligence collection, a dispassionate understanding of the geopolitical complexities of the 1980's, and an unusual gift for leading and motivating sprawling organizations. As an individual, Admiral Inman unfailingly displayed only the highest levels of character, personal strength, and candor. During his tenure at various high level positions in the intelligence community, he frequently provided sound testimony to this Committee and wise counsel to its individual members.

Of equal importance, however, was the fact that your predecessor had a heck of a relationship with this committee. I am probably going to say something that I guess some would suggest would be better left unsaid, but I said it to you in my office, and I feel obliged to say it publicly.

With some of us at least, the utterances of Mr. Casey are not always as—well, we do not always leap at them to embrace them as being the whole story when he makes them. That may be a little unfair. Let's assume it is. The fact remains, in my humble opinion, that lingering doubt exists among some of us on the committee.

I and, I believe, others on this committee who probably wish I was not saying this used to really rely on Admiral Inman because even though we did not think that the Director was not telling us the truth, we sometimes wondered whether we were getting the whole truth, or we sometimes wondered whether or not it had been politicized. But we knew that if we got Inman up here afterward, he would never varnish it for us. If he disagreed with the assessment made, he would be silent. You could always tell—at least I thought we could always tell.

You have a reputation within the Agency, to the extent that anyone in your position is able to have a reputation because of the secret nature of the job, of being a guy who is a tough Irishman, who is a true professional, and who is not afraid to stand up within the organization and say—hey, that ain't the way to do it. We shouldn't go that way. You have the reputation of being someone who is strong enough to protect the agency from being politicized.

My greatest fear is the politicizing of this Agency, not only by this administration but by future administrations.

So I will conclude by saying, as I told you in my office, you have, I think, a heavy burden on you. Many of us are going to look to you in ways which we would not ordinarily look to the Deputy Director were the Director different and the circumstances different. We are counting on you to be straight with us.

I for one—and I suspect everyone here—will say that as long as you are straight and candid with us, you will not have any problem. But I promise you, if I believe you are not and others believe you are not, we will try—I will try very, very hard to do whatever I can to make things difficult because it is critically important that this Agency be the best in the world. It is critically important that it be an agency that is as devoid as possible of politics. We want raw assessments, not political judgments. You have a reputation for providing raw information and assessments. We are counting on you doing that. The guy before you, in my opinion, did it, and that puts a higher burden on you. I look forward to working with you.

But I wanted to say this on the record just as I told you this in my office.

Mr. McMAHON. Thank you.

STATEMENT OF SENATOR BENTSEN

Senator BENTSEN. Mr. Chairman, if I might just comment, there is an old saying in politics that a man's worst two enemies are his predecessor and his successor.

Bobby Inman is a fine gentleman, but do not try to pattern yourself after anyone else. I am impressed with your credentials. You have the kind of administrative background that I think is going to be very important in this job. As long as you do what you believe is right for your country, why, I think it is going to come out fine.

Mr. McMAHON. Thank you, Senator Bentsen.

The CHAIRMAN. Senator Chafee?

STATEMENT OF SENATOR CHAFEE

Senator CHAFEE. Mr. Chairman, I had the pleasure of meeting with Mr. McMahan both in my office and at the closed hearing we had yesterday, so I am very familiar with the issues, his background, and think he is an outstanding candidate and we are fortunate to have him.

UNANIMOUS APPROVAL

The CHAIRMAN. Just prior to taking the vote, I might, in response to what Senator Biden said, Joe, I think if the new Deputy Director will develop the habit that the admiral had of pulling up his socks when there was something being said—

[General laughter.]

The CHAIRMAN. When you appear, you sit over here and the witness, if he is getting off a little bit, just pull your socks up.

Senator BIDEN. Or else slide your chair back. He used to just slide it back like this.

Mr. McMAHON. If I may comment, Mr. Chairman, and also to Senator Biden, I think when the Director hears or reads of the perceptions that you have, he will certainly move to allay your fears and correct that, and I think he will do that personally in any future testimony.

I will certainly be very sensitive to the comments of the Committee and make sure that indeed you have the proper and correct information.

The CHAIRMAN. I think the time has come to vote.
Will you call the roll, please?

Ms. ROBERSON. Senator Goldwater.

The CHAIRMAN. Aye.

Ms. ROBERSON. Senator Moynihan.

Senator MOYNIHAN. Aye.

Ms. ROBERSON. Senator Garn.

The CHAIRMAN. Aye by proxy.

Ms. ROBERSON. Senator Chafee.

Senator CHAFEE. Aye.

Ms. ROBERSON. Senator Lugar.

The CHAIRMAN. Aye by proxy.

Ms. ROBERSON. Senator Wallop.

The CHAIRMAN. Aye by proxy.

Ms. ROBERSON. Senator Durenberger.

The CHAIRMAN. Aye by proxy.

Ms. ROBERSON. Senator Roth.

The CHAIRMAN. Aye by proxy.

Ms. ROBERSON. Senator Schmitt.

The CHAIRMAN. Aye by proxy.

Ms. ROBERSON. Senator Huddleston.

Senator HUDDLESTON. Aye.

Ms. ROBERSON. Senator Biden.

Senator BIDEN. Aye.

Ms. ROBERSON. Senator Inouye.

The CHAIRMAN. Aye by proxy.

Ms. ROBERSON. Senator Jackson.

The CHAIRMAN. Aye by proxy.

Ms. ROBERSON. Senator Leahy.

The CHAIRMAN. Aye by proxy.

Ms. ROBERSON. Senator Bentsen.

Senator BENTSEN. Aye.

Ms. ROBERSON. Unanimous.

The CHAIRMAN. It is the unanimous decision of the Committee that you be approved, and at the proper time the floor will act. I just want to add my compliments at this time.

Also I would like to include in those compliments my observation that the intelligence family has made tremendous strides in the last few years and, contrary to many people, I have great faith in the intelligence system of our country. I think if we could change the attitude of some members of the press, the media, and some Americans, we would get along with the job very well in the future.

Thank you. Congratulations.

59

Mr. McMAHON. Thank you, Mr. Chairman, and I thank you and the Committee for your confidence.

[Whereupon at 11:50 a.m., the Committee recessed subject to the call of the Chair.]

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