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Good morning.... Now that Undersecretary of Commerce for international trade Lionel Olmer has announced his intention to resign June 14, sources close to the CIA say Director William Casey favors Mr. Olmer for the number two CIA post held by John McMahon. Rumors have been circulating in intelligence circles for the past few months that Deputy Director John McMahon will retire at the end of June for personal reasons.

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CIA officials dismissed the rumors and said McMahon has no plans to retire. "It's been going on for months," one official said of the rumors. "And he's still here."

Mr. McMahon and Mr. Casey reportedly have clashed over CIA policy. According to Hoover Institution analyst Arnold Beichman, Mr. McMahon scuttled a Casey plan to bring 65 Soviet POWs from Afghanistan for a U.S. press conference and blocked three of Casey's top-level CIA appointments.