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SALT LAKE CITY
CIA
By RALPH WAKLEY

The No. 2 man in the Central Intelligence Agency said Friday the two biggest problems facing the CIA are Soviet intervention in Latin America and communist theft of Western technology.

Referring to Central America as "our own back yard," Deputy CIA Director John McMahon said the Soviet Union is already in control of Cuba and Nicaragua "and trying to dominate Central America."

McMahon told the 1,500 delegates to the U.S. Reserve Officers Association's national convention Central America could become another Southeast Asia when it comes to communist domination.

He said the Soviets hope to line up El Salvador, Guatemala, Honduras, Costa Rica and Mexico the way "they gained control of South Vietnam, Laos and Cambodia and now threaten Thailand."

But the career CIA agent, who has been with the organization for 32 years, said the Soviets and their "communist surrogates" working in Latin America may be their own worst enemy.

"The communist moves in Central America have been so flagrant and open that anyone with common sense will have to come to the right conclusion about what they are doing," he claimed.

In the Soviet Union and Warsaw Pact countries, McMahon said they have been able to make a "large-scale jump" technologically through "illegal technology transfers."

He said the Soviets now have computers, guidance systems, radar equipment and laser range finders that are equal to the best in the United States and NATO, "and they stole them from us."

"Don't pass that off lightly. It is a real counterintelligence problem. And we've had trouble convincing our allies in Western Europe that they were being robbed," McMahon said.

He claimed the CIA had been "hung out to dry in the mid 1970s." But McMahon said, under the Reagan administration, "We are almost starting from scratch. But we are on the way back to address these problems which face us worldwide."

McMahon said the CIA's other major concerns are instability in the Mideast caused by "the radical Shiite (Moslem) sect," terrorism, and the way other Western nations compete economically with the United States.

He said the Shiite movement has taken control of Iran and is threatening Iraq, Kuwait and Oman. And he said it has increased the instability in the oil-rich Mideast.

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The deputy director said the CIA and United States have been "stunned by the tide of terrorism in the world, such as the recent bombing of the U.S. Embassy in Beirut, and because it's no longer handled by large-scale organizations.

"I'm envious of their (terrorist organizations') security," he said, indicating it is now virtually impossible to infiltrate one man into a terrorist group and discover more than just one phase of their operations.

On Western trade, McMahon said, "Our friends are as much a problem as our enemies. Japan and Western Europe now compete for the world's markets. They use the might of their governments to back their companies and subsidize production.

"And they use their diplomatic might to persuade other countries to buy their products," he said.