

Please send this copy to:

The Honorable John A. McCone

[Redacted]

STAT

5 March, 1982

Dear John,

I can't tell you how delighted I am that you have agreed to accept the Donovan Award. I am planning to get out to San Francisco for the event. I thought you would be interested in some background on the occasion which might help orient you for the remarks that you want to make there. I am enclosing a copy of the talk I made when I was an awardee in 1974 and also my remarks on the occasion of presenting the Donovan Award to Margaret Thatcher last year.

While I'm loading you up with reading matter I might as well include my current interview in U.S. News and World Report, and also some remarks I made last week in Palm Beach in which I used your name in vain in the warning about the dangers of the conventional wisdom.

Best regards.

Yours

William J. Casey

The Honorable John A. McCone

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Enclosures

cc [Redacted]

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"And again, thank you for being here, and I look forward to working with you and thank you in advance for your support."

—The CIA Auditorium, 3 February 1981

THE CLANDESTINE WAR IN EUROPE * (1942-1945)

How can I adequately express my appreciation for the William J. Donovan Award. This medal has very special meaning for me. There is the great affection and admiration which General Donovan holds in my memory. There is the example and inspiration he provided during the 15 years I was privileged to regard him as leader and friend.

So many of my most cherished friendships were formed in the OSS and for all these years I have been proud of what we were able to do together.

This sentiment extends in a special way to those who have come across the Atlantic for this occasion tonight and to so many others who worked with us throughout Europe. At the time, we may have known them only as numbers or code names, like Caesar for Jean-Pierre Roselli, but strong friendships and bonds have formed and flourished across the Atlantic over these 30 years.

We have visited back and forth and attended each other's reunions. We've even overcome the barriers of language, notably when the French invited us back for the 20th anniversary of their liberation. They took us all over France and everywhere we'd go, there would be an occasion and a speech. I had to respond in my fractured French and I would begin: "Nous sommes tres heureux d'etre ici." This was intended to mean, "We are very happy to be here." After a few such performances, Barbara Shaheen, who had studied French in school, came to me and said: "Bill, you are saying, 'Nous sommes tous heroes,' " which means, "We are all heroes." I hope you won't think that's what I'm saying tonight, as I tell you for the first time the full story of OSS.

For us, in the United States, it all began with a New York lawyer who saw his country facing a deadly menace and knew that it was unprepared and uninformed. It's hard for us to realize today that there was a time in 1940 and 1941 when William J. Donovan was a one man CIA for President Roosevelt.

I remember General Donovan bouncing into London, with little or no notice, brimful of new ideas, ready to approve any operation that had half a chance. He'd come tearing in from New Guinea, or wherever the last invasion had been, and go charging off to Anzio, or wherever the next landing was to be.

* Remarks of William J. Casey on receipt of the William J. Donovan Award at Dinner of Veterans of OSS, 5 December 1974.



Interview With CIA Director William J. Casey

The Real Soviet Threat in El Salvador—And Beyond

In a rare and unusually candid discussion, the nation's intelligence chief spells out a Kremlin strategy for conquest by subversion and for building Russian military power by using secrets stolen from the U.S.

Q. Mr. Casey, there's a great deal of concern that this country might be dragged into a Vietnam-like quagmire in El Salvador. In your view, is that fear warranted?

A. No. I don't think El Salvador or what we're likely to do there bears any comparison to Vietnam. In the first place, El Salvador is on our doorstep. And we're not just talking about El Salvador; we're talking about Central America—Costa Rica, Honduras and Guatemala. The insurgency is beamed at all those countries. Furthermore, this is part of a worldwide problem.

Q. Worldwide in what sense?

A. Around the middle of the '70s, the Soviets assessed the impact of Vietnam on American public opinion and decided we probably would be restricted in our ability to respond to low-level insurgency operations. In the last seven years, starting with the dispatch of sophisticated weapons to join up with Cuban troops in Angola, they have developed a very innovative and brilliant mix of tactics: Political, diplomatic, destabilization, subversion, terrorists and support of insurgencies. And they have applied this around the world.

Over this past year alone, you've had insurgencies in North Yemen, Chad, Morocco, Kampuchea, El Salvador, Guatemala. You have incipient insurgencies in many African countries. The Soviets work in some concert with Cuba, Libya and North Korea. They work with Angola against Namibia and Zaire; with Ethiopia against Somalia, and with Libya and Ethiopia against the Sudan.

Q. How are the Soviets involved?

A. What happens in these insurgencies is that the Soviets go in and exploit the underlying social and economic discontents, which are plentiful. That gives them a base. They feed it with trained men and with arms. That drives away investment. The insurgents sabotage economic targets, and so economic discontent grows. And as the discontent grows, more people go over to the insurgents' side.

It's almost a no-lose proposition for the Soviets. They can stay in the background. They sell their arms and get up to 20 percent of their hard currency from Libya and other countries that can pay for the arms. It's something we have very great difficulty coping with.

Q. What is Cuba's role in all this?

A. Here's a country of 10 million, with 50,000 people around the world—military and civilian. Besides the Cuban troops in Angola and Ethiopia, there are 12,000 technical

trainees in East Germany and Czechoslovakia and 5,000 to 6,000 students in the Soviet Union. They have 50 people here, 60 people there—in Africa, in the Middle East and in Latin America.

They can do this because of the demographics that led them to get rid of 120,000 people in the Mariel sealift. There has been a 50 percent jump in the 15-to-19 age group in the Cuban population. That's quite a latent force that Castro has no work for at home and can use for mischief abroad. He said in a speech just a few months ago that he would like to send 10,000 young Cubans to Siberia to chop down trees for construction projects in Cuba.

Q. Do you have evidence that matériel is being supplied by Cuba to the guerrillas in El Salvador on a significant scale?

A. Oh, yes. Without it the guerrillas wouldn't be able to sustain an insurgency.

Q. And Nicaragua? What part does it play?

A. This whole El Salvador insurgency is run out of Managua by professionals experienced in directing guerrilla wars. You've got to appreciate that Managua has become an international center. There are Cubans, Soviets, Bulgarians, East Germans, North Koreans, North Vietnamese, representatives of the PLO. North Koreans are giving some weapons they manufacture. The PLO provides weapons they've picked up around their part of the world. There are American weapons that the Vietnamese brought in in substantial quantities—mostly small arms that were left behind in Vietnam.

Q. How large are these foreign groups operating in Managua?

A. In the case of the Cubans, 6,000 are in the country, of whom 4,000 are in civil work and maybe 1,800 or 2,000 are in military and security work. The East Germans and Soviets each have somewhere between 50 and 100. The Bulgarians, the North Koreans and the Vietnamese are fewer. They all have their little function: The East Germans work on the security system; Cubans work on the general strategy, and the Soviets work, for the most part, on the large weapons that have come in. The North Koreans and Vietnamese are good at caching arms and digging tunnels and things like that.

Q. Why is the administration apparently so concerned about the arrival in Cuba of crates presumably containing a squadron of MiG-23s—a plane that already is operating there?

A. Well, Cuba has the biggest air force in the hemisphere next to ours. The new planes are just part of a buildup. But I don't know that we are that concerned. Jimmy Carter made it an issue when MiG-23s arrived in Havana, and he didn't do anything about it. I think this President has been rather careful not to make it an issue—although I wouldn't say we're unconcerned.

Q. Does what is happening now in Cuba violate the 1962 Kennedy-Khrushchev agreement ending the missile crisis?

A. Oh, sure it does because the '62 agreement said the

REMARKS OF WILLIAM J. CASEY
DIRECTOR OF CENTRAL INTELLIGENCE

TO

THE SOCIETY OF THE FOUR ARTS

PALM BEACH, FLORIDA

23 February 1982