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REMARKS OF WILLIAM J. CASEY
DIRECTOR OF CENTRAL INTELLIGENCE
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THE AMERICAN INTELLIGENCE COMMUNITY

Recognition of the need for intelligence concerning the intentions of our adversaries is as old as the nation itself. During the War of Independence General Washington observed:

The necessity of procuring good intelligence is apparent and need not be further urged -- all that remains for me to add is, that you keep the whole matter as secret as possible. For upon secrecy, success depends in most enterprises of the kind, and for the want of it, they are generally defeated, however well planned and promising a favorable issue.

During the first 165 years of our nation's history, however, we were able to exist behind the security of wide oceans and friendly borders and the need for intelligence was episodic. The world changed drastically for America in general, and for the fledgling intelligence community in particular, on December 7, 1941 and, for better or worse, it will never again be the same. The United States no longer enjoys the splendid isolation that its oceans and borders once provided and it must now exist in a world in which the minimum period of warning in the event of nuclear attack is counted in less than 20 minutes.

As a result, we have today a national intelligence community made up of more scholars in the social and physical sciences than any campus can boast. It uses photography, electronics, acoustics and other technological marvels to gather facts from the four corners of the globe and informs the public, as we saw in the SALT debate, of the precise capabilities of weapons on the other side of the globe which the Soviets keep most secret.

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The first priority in our intelligence work is still the Soviet Union. It is the only country in the world with major weapons systems directly targeted at the United States which could destroy the U.S. in half an hour. We put the largest slice of our resources into the task of understanding Soviet military capabilities, which have grown enormously in precision, accuracy and sophistication as well as power.

Our superior technology defends against Soviet military advantages in manpower and sheer volume of weaponry. A television documentary on the KGB shown by the Canadian Broadcasting Company a few months ago, for example, concluded that the theft of inertial guidance technology by Soviet intelligence improved the accuracy of Soviet ICBM's and made U.S. land-based missiles vulnerable, thereby creating the need to build the MX missile system as a replacement at a cost of 30 to 60 billion dollars.

The Soviet political and military services, KGB and GRU, have for years been training young scientists to target and roam the world to acquire technology for their military arsenal from the U.S., Western Europe, Japan and anywhere else. They have acquired technology worth many billions by purchase, legal and illegal, by theft, by espionage, by bribery, by scientific exchanges and by exploiting our open literature and our Freedom of Information Act.

George Washington, wherever he is, and people in other countries must find it puzzling that our Government permits any person, including an officer of an antagonistic intelligence service, to apply for documents from our intelligence records and demand lengthy legal justification if they are denied.

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A law that is grounded in the presumption that all Government records should be accessible to the public, unless the Government can justify in detail a compelling national security rationale for withholding them, unwarrantedly disrupts the effective operation of an intelligence agency.

Thus for reasons of security as well as efficiency, there is a strong current of opinion in this Administration -- and I believe in the Congress and the public -- in favor of some modification of the Freedom of Information Act and other questionable burdens imposed on intelligence and other Government activities. I wish to emphasize that this does not represent a retreat from our Government's historic and cherished commitment to protecting essential liberties. But we should bear in mind, as Justice Goldberg once said, that "while the Constitution protects against invasions of individual rights, it is not a suicide pact."

Secrecy is essential to any intelligence organization. Ironically, secrecy is accepted without protest in many areas of our society. Physicians, lawyers, clergymen, grand juries, journalists, income tax returns, crop futures -- all have confidential aspects protected by law. Why should national security information be entitled to any less protection?

There was a time when intelligence had most of its job done when it had counted and measured the capabilities of weapons of destruction, followed indications and warnings of their use and passed this information to the military for appropriate action.

Today we also need to assess and deal with a whole range of initiatives and tactics -- diplomacy, subversion, disinformation, destabilization provision

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of sophisticated weapons, support and exploitation of terrorism and insurgency.

The emergence of this new array of intangible weapons which influence, erode and undermine on a worldwide scale places a wholly different and far wider responsibility on intelligence. It is a responsibility which was neglected as the Intelligence Community lost 50% of its people and 40% of its funding during the 1970s and, at the same time, was forced to give high priority to following a Soviet military and political threat growing rapidly in magnitude and in sophistication.

We face a skill in propaganda which continually puts us at a disadvantage. While American intelligence has shown the Soviets carrying off the biggest peacetime military buildup in history, deploying over 200 missiles targeted at Western Europe and using chemical and bacteriological weapons against women and children in Afghanistan and Indo-China, they have succeeded in painting the United States as the threat to peace.

This is accomplished through their political and intelligence apparatus in a far-flung and many-sided campaign of what they call active measures. Our intelligence must continue to identify the distortions of this propaganda and establish the truths to combat it.

If we look beyond Europe where a combination of these active measures and not too subtle intimidation seeks to divide us from our allies, we see the other continents of the world plagued and beleaguered by subversion and witch's brew of destabilization, terrorism and insurgency fueled by Soviet arms, Cuban manpower and Libyan money, with East Germany, North Korea, and the PLO chipping in special skills and experience. It's important to understand how all this works.

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Beginning in 1974 and 1975, the Soviet Union undertook a new, much more aggressive strategy in the Third World. They found destabilization, subversion and the backing of insurgents in other countries around the world attractive and relatively risk free. Exploiting the availability first of Cuba and subsequently of other countries to serve as Soviet surrogates or proxies, they have been able to limit the political, economic and military cost of intervention.

In the aftermath of Vietnam, the Soviet Union soon began to test whether the U.S. would resist foreign-provoked and supported instability and insurgence elsewhere in the Third World. Fully aware of the political climate in this country, in the 1970s they developed an aggressive strategy in the Third World. It avoided direct confrontation and instead exploited local and regional circumstances to take maximum advantage of third-country forces (or surrogates) to attain Soviet objectives. This enables Moscow to deny involvement, to label such conflicts as internal, and to warn self-righteously against "outside interference." There is little disagreement among analysts that Soviet and proxy successes in the mid- to late-70s in Angola, Ethiopia, Cambodia, Nicaragua and elsewhere have encouraged the Soviets to rely on and support the Cubans, Vietnamese and, recently, the Libyans ever more aggressively.

Over the last several years, the Soviets and their allies have supported, directly or indirectly, radical regimes or insurgencies in more than a dozen countries in every part of the Third World. The United States and its friends have had difficulty countering these insurgencies. It is much easier and much less expensive to support an insurgency than it is for us and our friends to resist one. It takes relatively few people and little support to disrupt the internal peace and economic stability of a small country.

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It's truly remarkable the way the combination of money and manpower from two tiny countries, Cuba and Libya, with skills and arms provided by the Soviet Union and its satellites like Vietnam, North Korea, and East Germany, has terrorized four continents over the last ten years.

Subversion and terrorism destabilize existing governments. Insurgency is organized and supplied with weapons and experienced guerrilla leaders. Manpower is brought for training to Cuba, Lebanon, South Yemen, Bulgaria or Libya, where terrorist training camps seem to make up the second largest industry next to oil.

Terrorism, the sophisticated terrorism of today, is big business and requires big money. Safehouses in safe areas, modern secure weapons, travel documents, transportation, etc., are very expensive. Terrorists need more than money. They require safe training sites, use of diplomatic bags, safe embassies, multiple travel documents, they need a country to back them. Qadhafi has been picking up a large slice of this and has attempted -- by act or by just leaks of an act -- to strike at senior American officials at home and abroad. In so doing he has caused disruption of our normal way of life on the official level, the expenditure of millions, and some degree of skepticism among our allies about our intelligence and subsequent actions. All this at very little cost and a great deal of "revolutionary" publicity for him. He also, at one time or another, has tried to assassinate Nimeriri and Sadat, his neighbors in Sudan and Egypt.

Cuba is the other worldwide troublemaker. For a nation of ten million people, Cuba has displayed a remarkable reach on a worldwide scale. It has 70,000 military and civilian advisors abroad in almost 30 countries. Of

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these, more than half are military. Over 40,000 are in Africa, and some 7,000 in the Middle East. There are 12,000 Cuban technical trainees working in Czechoslovakia and East Germany, and 5-6,000 studying in the Soviet Union.

How did this phenomenon develop? Part of it springs from the demographics -- the same source -- a combination of overpopulation and youth unemployment -- which gave us 150,000 Cuban refugees in the Mariel boat lift. Since 1980, there has been a surge in the 15-19 year old age group of 50 percent. Castro has admitted that tens of thousands of youths are out of work. He said in a recent speech that he would like to send 10,000 Cuban youths to Siberia to cut timber for Cuban construction projects. They have lots of young men to train and send into other countries -- and that's the way to get preferment in government employment in Castro's Cuba.

The other source of Cuba's aggression is Soviet influence and support. The Soviets sell their weapons. Arms sales earn about 20 percent of their hard currency. Last year they gave Cuba four times the previous ten-year annual average.

In addition to free military equipment, the Soviet Union gives Cuba \$8 million a day, or \$3 billion a year, to keep its economy going. The Russians buy sugar at a premium and sell oil at a discount. There is no way that Cuba could play the role it does in Latin America, Africa, and the Middle East without this cash and military support from the Soviet Union. Moscow doesn't give away \$3 to \$4 billion a year unless they have a purpose.

Today Cuba sits astride the Caribbean with a modernized army of 150,000 troops, reserves of 100,000 and 200 Soviet MIGs. It now has the largest military establishment in the Western Hemisphere, save those of the U.S. and Brazil.

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Cuba's recent combat experience in Angola and Ethiopia, together with its overwhelming qualitative and numerical superiority in weapons, provides it with a particularly ominous intervention capability in the Caribbean and Central America. This is clearly not the sole source of violence and instability in the Caribbean Basin, but it magnifies and internationalizes what would otherwise be local conflicts. Cuba's most immediate goals are to exploit and control the revolution in Nicaragua and to induce the overthrow of the governments of El Salvador and Guatemala. At the same time, the Cuban government is providing advice, safehaven, communications, training and some financial support to several South American organizations. Training in Cuban camps has been provided in the last two years to groups from a dozen Latin American countries.

Today, we live in an extraordinarily challenging world. Protected though we may be by military might and economic strength, we are vulnerable without an effective intelligence service. We need it to help us judge the capabilities and intentions and monitor the activities of those with interests adverse to ours, to evaluate changing economic and political trends worldwide, and to anticipate danger before it threatens.

Your generation is the first in this century to grow entirely to maturity in a world where the United States is being actively pressed to defend its role as the foremost economic and industrial power in the world. We now face competition from others in the free world, but we are still very much a great nation and power. Any country that can successfully engineer a feat like the flawless launch and recovery of the Columbia space shuttle has adequate resources and resolve to retain its position as leader of the free world. We all can take great pride in that magnificent achievement.

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We nevertheless must recognize that we are now challenged as never before by military and commercial competitors of unprecedented strength. We can not rest on past achievements. We have permitted our own resources, both material and spiritual, to be drawn down. In the private sector, we have allowed an alarming decline in productivity and hence in our ability to compete in world markets. In the governmental sector, we have continually exhausted our reserves and then borrowed to cover the shortfall, compounding the inflationary pressure on interest rates and sapping public confidence in the Government's ability to control expenditures.

These trends must not be allowed to continue. We must trim the fat, revitalize our institutions and reaffirm our will and purpose to work for peace and freedom.

Critical to this are the human resources in which this nation has always been so rich, young people with good minds and good educations, with energy and enthusiasm and the confidence to tackle the difficulties ahead of us. You will meet that challenge.

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