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REMARKS OF WILLIAM J. CASEY
DIRECTOR OF CENTRAL INTELLIGENCE
at
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honoring
JAMES A. FINKELSTEIN
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The American Intelligence Community

I'm pleased to join this evening in paying tribute to the public service the Anti-Defamation League does in protecting individual honor and reputation and in preserving the credibility of our information as the public perceives it on which our freedom and democracy depend.

Over a third of a century, my predecessors have changed intelligence and made it far more than a simple spy service. They developed a great center of scholarship and research, with as many Doctors and Masters in every kind of art and science as any university campus. They produced a triumph of technology, stretching from the depths of the oceans to the limits of outer space. Using photography, electronics, acoustics and other technological marvels, we learn things totally hidden on the other side of the world. In the SALT debate, for example, Americans openly discussed the details of the Soviet missiles. These are held most secret in the Soviet Union, but are revealed by our intelligence systems.

Our esteemed Chairman suggested that I talk today about what you pay for, what you get, and where we're going in our American Intelligence Community. All the eminent purists here remind me of the story about Justice Holmes on a train in England. The conductor asked for his ticket and after fumbling around in his pockets, Holmes said, "I can't find my ticket." The conductor said, "That's all right, give it to me when you get off." Holmes said, "My dear man, you don't understand. I need that ticket because I've forgotten where I'm going." To avoid that, I've made a few notes.

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There are a lot of false impressions about intelligence. Intelligence is much more than espionage, or codebreaking, or cameras in the sky, or collecting signals and electronic impulses. The heart of it is knowing what information we need to protect our country and its interests in the world, where and how to get it, how to put it together, and what to make out of it. Then you have to get it used in developing and implementing our own policies, in helping our friends and allies defend themselves, and in blunting hostile propaganda and subversion directed at the United States and its friends and allies.

During the seventies, our intelligence service had fallen behind badly for having lost 50% of its manpower and 40% of its funding. Unrelenting questioning of the Agency's integrity generated a severe loss of credibility. That credibility is only now being restored. With steadily diminishing resources, operations were curtailed, too many good people were lost, analysis suffered.

We have set our goals to strengthen the capabilities of the Intelligence Community to deal with today's more complicated world, and, at the same time, develop new capabilities to meet the challenges of the troubled times we see in the late eighties and nineties. We have good progress and have been assured of the President's steady support toward meeting both these goals. The Congress has been supportive in the 1981, 1982 and in the committee phase of the 1983 budget.

Analysis, and its assessment in National Intelligence Estimates, is the bottom line of the intelligence process. Intelligence analysis must be linked to the policy process. It must answer a question the policymakers

have asked, are about to ask, or should have asked. Poorly drawn or incomplete analysis is an unforgiveable waste of an enormously complex and costly collection system. Collection, after all, is only facts, and just as houses are made of stone, so collection is made of facts. But a pile of stones is not a house, and a collection of facts is not intelligence. It is analysis and assessment that make it intelligence.

My highest responsibility is to produce sound national intelligence estimates on issues relevant to our national security. We have taken steps to assure standards of integrity and objectivity, relevance and timeliness, accuracy and independence in the national estimate process.

The time it takes to give the President an estimate on a timely topic has been drastically streamlined. Days and weeks are no longer spent in compromising and semantics to paper over divergent views. It is my responsibility to formulate the estimate and see that it reflects all substantiated judgments held by any of the components of the Intelligence Community. We have brought a lively competition to this estimative process. Today, the chiefs of all intelligence components (the NSA, the DIA, the State Department's Intelligence and Research component, the Armed Services, Treasury, FBI and Energy) meet as a board of estimates in the National Foreign Intelligence Board. This involves them personally in the substance of estimates to make them better, to see that different views are fully reflected, to give the policymaker not some diluted consensus but a range of real and specific expectations. After all, a policy to deal with a future which cannot be precisely foreseen must be sufficiently broad and flexible to provide for a range of concrete possibilities.

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In recognition that intelligence people have no monopoly on the truth, we are reaching into the think tanks, the academic institutions, the science labs, and the business community for a wide assortment of experts to critique our work, to address special problems, and to get different perceptions.

Now let me talk a little about what we see out there. Obviously, a large portion of our effort and resource is devoted to the Soviet Union. We see a frightening buildup of all military forces with the latest technological advances. We are alarmed at the ability the Soviets have shown to project their power over long distances by sending tanks and planes to link up with Cuban troops in Angola and Ethiopia, sending their own forces across the border into Afghanistan and, in partnership with proxies like Cuba, Libya, Vietnam and South Yemen, threatening other countries by internal subversion and external support of insurgencies.

Recently, I had our cartographers prepare a map to show the Soviet presence in its various degrees of influence. They colored in red on a map of the world the nations under a significant degree of Soviet influence. Close to 50 nations were in red. Ten years ago, only 25 nations would have been colored in red. In the ten years between 1972 and 1982, 4 nations have extricated themselves from Soviet grasp and 23 nations have fallen under a significantly increased degree of Soviet influence or insurgency supported by the Soviets or their proxies. The 11 insurgencies now under way throughout the world supported by Russia, Cuba, Libya and South Yemen happen to be close to the natural resources and the choke points in the world's sea lanes on which the United States and its allies rely to fuel and supply their economic life. This might be called creeping imperialism.

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Another large concern is the exploitation of indigenous religious and political and other regional tensions. The most immediately dangerous, particularly in the aftermath of the Iran-Iraq war, may be the Shia and Sunni Moslem tensions running through Iran, Iraq, Syria and other states on the Persian Gulf which could bring heavy Soviet influence into the oil regions of the Middle East. Tensions between Arabs and Jews, between moderate and radical Arabs and between blacks and whites in Africa are there to be inflamed and exploited. The Russians and Cubans are poised to exploit tension between Yankees and Latinos in this hemisphere in the aftermath of the Falklands struggle and there are half a dozen latent territorial disputes to whip up and exploit.

We try to fathom and speculate on where the Soviets are headed in all this, how far and how fast they will try to go, how they might be restrained through arms negotiations, by restricting credit and trade, and by the weakness of their own economy. Right now, high on the docket is the succession question. There is little hard evidence on who is likely to succeed Brezhnev, or on the process by which that is likely to be determined. We watch this closely and do a great deal of speculating. Anyone who dares to express an opinion on the succession thereby becomes a Kremlinologist. They made Kirilenko the early favorite, then Brezhnev seemed to have shifted to Chernenko, then Chernenko was seen to peak too early and Andropov became the favorite. Much of this speculation would be based on such fragmentary clues as to who was selected to make what speech and who stood closest to Brezhnev on ceremonial occasions. There came a time when Andropov, the chief of the KGB, became the favorite by being selected to make the May Day speech and being photographed

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next to Brezhnev at a ceremonial occasion or two. Then suddenly, on a subsequent occasion, Andropov appeared at the end of the line. The Kremlinologists instantly pronounced that he was fading. This upset me a bit. When Andropov became the favorite, I may have developed an unconscious psychological stake in the notion that an intelligence chief might have a future. For whatever reason, I asked our in-house Kremlinologists whether they had considered that Andropov might have been at the end of the line because he had been caught in traffic. Lo and behold a few days later he was named to succeed Suslov as General Secretary of the Party. A Kremlinologist for The Washington Post responded by redeclaring him the favorite and discovering that, although he had been in charge of cracking down on Hungary in 1956, being hailed as the Butcher of Budapest, he had been the silent protector of the Hungarians in liberalizing their economy over recent years. The Washington Post Kremlinologist concluded that this chief of the KGB is really a "closet liberal." Such are the workings of Kremlinology.

To return to the spread and support of subversion and insurgency, El Salvador provided an example of how we can help these beleaguered nations defend themselves. The training of El Salvadoran troops and officers in the United States imparted new capabilities to the government Army. The success of the recent elections in El Salvador came largely from developing good intelligence and showing the El Salvadoran Army how to use that intelligence to break up guerrilla formations deployed to attack provincial capitals in order to stop the voting. This resulted in the American television audience seeing in living color Usulután, the provincial capital nearest Nicaragua, with its streets empty and its inhabitants huddled behind closed doors peeking out of windows as guerrillas fired their rifles at doorways. Then, a minute

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later, this television audience saw in the rest of the country long lines of people patiently waiting in the hot sun to cast their vote. That contrast in a few minutes wiped out weeks of distortion and propaganda about what has been happening in El Salvador.

Next door in Honduras, a democratically elected civilian government, to which the military are fully subordinated, presides over a free and open society. Nicaragua and Cuba can't stand this contrast to their own militarized and totalitarian society in which opposition forces, free expression, civil liberties and human rights are being stamped out. So instructions have gone out and Communist and extreme leftist elements in Honduras have begun to hijack airplanes, plant dynamite in buildings and otherwise lay the groundwork for revolutionary violence in their determination to see that free democratic government does not succeed in Central America.

There are some lesser level threats which concern us. Only recently have we established how the accuracy, precision and power of Soviet weapons, which we now must counter with budget busting appropriations, are based on Western technology to a far greater extent than we had ever dreamed. The Soviet political and military intelligence 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 US, 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. We need to sensitize and protect our scientists, engineers, and sales force against technology pickpockets, dummy customers and forged papers used to funnel sensitive equipment and knowledge behind the Iron Curtain.

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There is a monster known as international terrorism. The Soviet Union has provided funding to the PLO and, with at least tacit Soviet approval, many groups have trained together in Cuba, Libya, Iraq, South Yemen and Lebanon. Terrorist training camps are the largest industry in Libya, next to oil. When enough terrorists are armed and trained, international terrorism takes on a life of its own.

From headquarters in Beirut in Lebanon, Tripoli in Libya, and Aden in South Yemen, this terrorism ranges across borders into five continents. Working with the intelligence services of friendly nations, a capability to track terrorist organizations and train local quick reaction and rescue forces is being developed.

In the final analysis, all these threats boil down to a struggle for the hearts and minds of men. The courage of the Afghan freedom fighters, supported by arms and training provided by other nations, escalates the price and deters armed insurrection everywhere. The world has seen the Communist system fail in Poland. The once proud call of Lenin, "Workers of the world unite," today makes those in the Kremlin tremble. Many Third World countries have tried the Communist model and discovered that it doesn't work. The Soviets have been kicked out of Egypt, Sudan and Somalia. But to hold their people, leaders in these harassed countries needed to show that ties with the West do yield economic benefits. Even a modest Western presence enhancing their trade and production and creating some jobs is all that they need to point to. Here the American private sector can play a far more significant role than government aid. What is needed in the Third World is not steel mills and power plants but entrepreneurial activity suited to the prevailing

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level of economic opportunity. That's the vision which President Reagan projected at the Cancun Summit. We now need private sector leadership to encourage and show American small and medium-sized business how to move offshore and involve themselves in the world.

One concluding thought -- as a nation we have a propensity for shooting ourselves in the foot. One of these self-inflicted wounds, close to my heart, leaves us the only country in the world which gives foreign intelligence agencies and anyone else a legal license to poke into our files. The cost and damage done is out of proportion to any public benefit. Congressional and judicial oversight, not a right to get documents, is the right way to control the Intelligence Community. I question very seriously whether a secret intelligence agency and the Freedom of Information Act can co-exist for very long. The willingness of foreign intelligence services to share information and rely on us fully, and of individuals to risk their lives and reputations to help us will continue to dwindle away unless we get rid of the Freedom of Information Act. As a matter of fact, the documents which are obtained are most frequently fragments with names and sentences and paragraphs blocked out so that they are likely to result in misinformation and even defamation when used. 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? I'm not asking for any retreat from our commitment to protecting essential liberties but only to bear in mind, as Justice Goldberg once said, that "while the Constitution protects against invasions of individual rights, it is not a suicide pact."
