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82-12370/2

REMARKS OF WILLIAM J. CASEY

DIRECTOR OF CENTRAL INTELLIGENCE

before

BUSINESS/LABOR LEADERS

at

THE WHITE HOUSE

Room 450, Old Executive Office Building

25 October 1982

APPROVED FOR RELEASE DATE:
03-Dec-2008

031 51 5 23 24 16



Pleased at this opportunity to meet with you about American intelligence and how we see the world out there.

First let me give you a quick overview. Over the years, my predecessors as Director of Central Intelligence have created a great apparatus of scholarship and technology to collect and analyze a vast flow of information gathered from all over the world. Marvels of electronics, photography, acoustics and other techniques permit us to share with the American public, as we saw during the SALT debate of a couple of years back, detailed information about weapons on the other side of the world which the Soviets hold secret. We continue to press the frontiers of science to improve our ability to monitor both the potentially hostile deployment of these weapons and the mutual reduction of nuclear weapons which we hope to negotiate.

To evaluate, analyze and draw conclusions from the vast array of data we have collected from all corners of the globe, we have a band of scholars representing virtually every scientific, political, economic and social discipline which includes over 450 Ph.Ds and some 2,000 other graduate degrees.

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 to 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 make the estimate and to protect the President from conventional wisdom by ensuring that estimates reflect the substantiated judgments held by any of the components of the Intelligence Community.

To meet this responsibility I meet two or three times a month with 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) who sit as a board of estimates in the National Foreign Intelligence Board. We no longer believe we have all the needed wisdom and understanding in the government. We have instituted an aggressive program to take advantage of the expertise of outside scholars and researchers 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 address special problems for us and to get different perceptions.

Now, what do we see out there. The Soviet Union presents the largest danger and is still our number one priority. We see a frightening buildup of all military forces with the latest technological advances and scores of new weapons systems under development. We are also alarmed at the will to send Soviet forces over the border into Afghanistan and the ability the Soviets have shown to project their power militarily worldwide as far as Ethiopia and Angola and through subversion and insurgency. A large part of enhanced influence in the world comes from the adept use of proxy forces, arms sales and military advisers around the world. Heavy Soviet, Cuban or Libyan influence in close to 50 nations around the world -- active insurgencies backed by Soviets or proxies in 12 nations in Latin America, Middle East & Africa.

There are still more subtle and less widely understood threats. One is the monster known as international terrorism. The Soviet Union has provided funding and support for terrorist operations via Eastern Europe and its client nations like Libya and Cuba. Even if the Soviet Union withdrew its patronage of terrorism, this activity would certainly continue, perhaps unabated. Terrorist training camps, for example, are the largest industry in Libya, next to oil. This international terrorism has taken on a life of its own.

Terrorists have made Americans and American facilities their most favored targets -- we were the targets of roughly one-third of all international terrorists' attacks during the past 10 years. Almost 200 Americans have been killed by international terrorists since 1968.

Another threat is the ability of the Soviet Union, largely through its intelligence arm, the KGB, to insidiously insert its policy views into the political dialogue in the United States and other foreign countries. The KGB is adept at doing this in a way that hides the Soviet hand as the instigator. We see Soviet authored or inspired articles surreptitiously placed in the press around the world, forged documents distributed, manipulation of indigenous foreign Communist parties, international and local Communist-front organizations, and clandestine radio operations, all employed aggressively to erode trust in the United States as the leader of the free world.

Still another low-key but highly damaging threat can only be called a hemorrhage. Only recently have we established the degree to which accuracy, the precision and the power of Soviet weapons, which we are required now to

counter with budget-busting appropriations, are based on Western technology to a far greater extent than we ever dreamed. The Soviet political and military intelligence organizations, the KGB and the GRU, have for years been training young scientists to target and roam the world to acquire technology for their military arsenal from the United States, Western Europe, Japan, anywhere they can get it. They have acquired in this way technology worth many billions, some of it by purchase, legal or illegal, or by theft, by espionage, by bribery, by scientific exchanges and by exploiting our open literature and our Freedom of Information Act. The damage to our national security becomes all too obvious as we face the need to spend billions of dollars to defend ourselves against new Soviet weapons, in which a great deal of time and effort has been saved by leap-frogging development stages and in which new power and accuracy has been achieved through use of our guidance and radar systems, our bomb and weapon designs and our production methods.

We don't look at the world only in military power struggle terms, although we sometimes think the bottom line question is whether the Soviets will devour us economically. We devote a lot of effort to following the threat to our jobs, our trade balance, and our currency from the efforts the Japanese and western European governments make to wipe out our advantage in high technology subsidy R&D.