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ADDRESS BY
MR. WILLIAM CASEY
DIRECTOR,
THE CENTRAL INTELLIGENCE AGENCY

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MODERATOR: Ladies and gentlemen, the Director, Mr. William Casey.

(Applause).

WILLIAM CASEY: Thank you very much for your warm welcome. As I look around, I told Harry that he could have charged more for those tickets.

(Laughter).

I'm very pleased, indeed, to be here as Director of Central Intelligence, and to have the opportunity to meet so many of you in this way. This is my fourth day on the job, but I've been in and out for a few weeks. Admiral Taylor and Frank Callucci, as well as members of the senior staff who were very generous in helping me learn about the Agency and its work, and, although I'm not yet able to find my way around the building, I think I have substantially found my way around the organization chart, which is a very formidable thing, as you all know.

I came here with a high respect for this Agency and for the caliber and professionalism of its staff. And what I've seen in the past few days has strengthened that view. I bring to this job a long-standing dedication to and belief in the purpose for which you and the Agency work. My earliest public service in Washington was helping General Donovan draft papers to President Roosevelt to the Joint Chiefs explaining why OSS needed military slots to develop paramilitary capabilities and operational groups which the Pentagon liked to call "Donnovan's Private Army" as they tried to take it over. And, as I come here with personnel freezes, I have a sense of deja vu.

(Laughter).

When I went to London to set up a secretariat for David Bruce, then Commander of the OSS detachment in General Eisenhower's command, one of my duties was to serve as secretary for the committee charged with studying the organization of the British and other allied intelligence agencies in order to develop recommendation on how a permanent peacetime Central Intelligence Service might be established in the United States. That was something, as you know, we never had before.

Out of that work, I got a trip back home to bring this report to General Donovan to help him use it in a memorandum which he addressed to President Roosevelt and the Joint Chiefs of Staff to urge the creation of a Central Intelligence Service. So, in a sense, I was there at the beginning. Nobody saw me, but I was there.

While in the European Theater, I worked closely and formed life-long friendships with Bill Quinn, Allen Dulles, Dick Helms and Bill Colby, all of whom came into the role which I have now assumed, so, that means quite a lot to me, and I am particularly pleased and dedicated to be here to work with you in the future.

I carry a vivid recollection of Dick Helms saying on one occasion in the late 60's, before I became DCI, that he had remained in the Agency for over 20 years and resisted offers of more money in the private sector because his work in this building reminded him daily, as he put it, of how beleaguered our country is in the world. That word, "beleaguered," made a very deep impression on me. I understand it to mean surrounded by danger. I've always reminded the life-time career and dedication to country which Dick Helms conveyed on that occasion in that expression and in his 30 years of service to intelligence.

And I have a comparable admiration for those of you who are embarked and living in the intelligence career here, and your work is even more important today. If Dick Helms had to use that unusual word, "beleaguered," to describe the condition of the United States in the late 1960's, how would we describe our situation today as we face an adversary over which we no longer have military superiority, which has demonstrated a will to use military force outside of its borders, and is constantly using infinite skill and resourcefulness in providing weapons, training, organizational leadership to proxy armies, to revolutionary groups, and to terrorists throughout Africa, Southeast Asia, and on our very doorsteps in Central America?

So, our country depends heavily on your daily efforts if it is to adequately evaluate and develop a means to cope with these threats. So let us together summon up the will and find the resources to reply and revive the whole range of capabilities developed in this Agency over the years, and where the President and the Congress need them to cope with threats to our security, or to protect our interests.

We face this intensified challenge after having been severely kicked around in a political process and in the office of public opinion. We must not let that deter us from the job we have to do. I think we can put that behind us. The intelligence profession is one of the most honorable professions to which Americans can aspire. The President knows that, and the American public understands that. So let us hold our heads high as we serve them, as we call on young Americans to serve their country in intelligence work, and as we ask American scholars to serve their country by sharing their insights and their scholarship with this, perhaps the largest scholarly community in the world, as we prepare the analyses to develop foreign policy and defense strategy.

And this is one activity in the whole government in which, I believe, that whatever any of us might do, whatever our work may be, any element of service we can perform, has a direct impact on the evalu-

ation and our ability to address the many concerns that may threaten our security or our country or our way of life. I feel that very deeply.

President Reagan has promised to strengthen intelligence where it needs to be strengthened. He has talked frequently his feelings about the CIA, his admiration and his support for it. He's given us a Deputy DCI who will come here with rich experience and universal acclaim inside and outside the intelligence community -- Admiral Inman, and I think he has signalled his intention to do what he can to fully support our work by affording me Cabinet rank and by giving Admiral Inman a Fourth Star, making him a full Admiral as he undertakes his new responsibility.

So I'm confident that you and I and Admiral Inman are ready to do what needs to be done. As I stated in my confirmation hearings, this is not the time for reorganization or bureaucratic shake-up but, rather, a time to build on what we have, to sharpen and strengthen it, to meet the challenges, the new challenges we face. Much will depend on how we organize for that task. I'm a great believer in the delineation of responsibility and commensurate authority. I like to give people running room and judge it by one test -- results.

I intend to give at least equal attention to my role as Director of the Central Intelligence Agency as I give to the community role as Director of Central Intelligence. One reason I'm so pleased to have Admiral Inman here with me is that he is so superbly equipped by virtue of his experience as Director of National Security Agency and Vice Director of the Defense Intelligence Agency, and Director of Naval Intelligence, to take on some of the community role that consumed so much of the time of my two or three immediate predecessor, because I would like, and intend to take, a special interest in strengthening and sharpening our human capabilities, and in seeing that the product -- the results of what we do -- the results of the time and labor we put forth here daily -- get in the proper form to where it is needed and is understood and is acted upon.

So that's, in general, in a broad, general way how I see my job and how I now plan to approach it.

We have to face the fact that we take on this challenge in a period of financial stringency. We can't hide from that. There is a personnel freeze, and budgets are and will be scrutinized very, very carefully. It will take time to balance the objective of strengthening our defense and intelligence capabilities, and meshing those factors, those requirements with the financial and manpower requirements of the Administration's economic policy. And the way for us to do that, in my opinion, is to do our share in tightening up wherever we can, and then, on the basis of that performance, at the appropriate time, ask for the resources needed to overcome the deficiencies -- those deficiencies arising out of earlier budget actions, budget stringencies, over the last few years, as well as for the resources to meet the needs of the future.

There will be budgetary cutbacks and there will be budgetary increases, particularly in defense areas and other areas vital to our defense.

I intend to define overall needs with care and restraint, but I will not be bashful about asking for what is needed to meet those needs, and that is what I will expect you to do also.

I'm specifically interested in developing resources needed to provide both the facilities and the incentives necessary to encourage the career-long building of analytical and other specialized skills so the people can dedicate their efforts -- high-flung efforts to building those essential talents without being pressured into doing administrative or managerial work to gain promotions.

I know that all of you are as anxious to constantly improve the Agency's capabilities and its performance as I am. All of us have a variety of opinions about the quality of intelligence performance over recent years. I do know that -- and you can take your pick on those opinions -- I do know that over its history this Agency has developed the finest intelligence capability in the world. There can be no doubt about the enormous creativity and ingenuity which has been displayed in developing new sources of information and new analytical tools is without precedent anywhere. And we certainly have in this building the finest and most highly-developed staff of political and military and economic analysts ever assembled.

Yet, as I've gone up to the Hill to testify before committees of the Congress on Intelligence and Armed Services on appropriations, my confirmation hearings, and world-wide intelligence assessments on three occasions in the last two weeks, I've heard specific criticisms which we cannot and should not shrug off.

The most frequent criticism is that our interpretations, our assessments and interpretations, have shown a tendency to be over-optimistic, to place a benign interpretation on information which could be interpreted as indicating danger. Now when you are specifically charged with warning of danger in time for us to react, as we are, it's rather a good idea to incline in the opposite direction. One of my aims will be to inject into the intelligence process a greater degree of skepticism, greater care in weighing evidence to bring out the range of probabilities rather than any one conclusion, a range of probabilities for which a policy-maker needs to prepare and provide.

It's our obligation to present conclusions which emphasize hard reality, undistorted by preconceptions or by wishful thinking. So I ask you, in whatever work you do, to question your assumptions and conclusions, to call them as you see them -- whether you're weighing evidence for an intelligence assessment or trying to improve some procedure -- no matter what range of work is involved.

In return, I promise that I will make your work and judgment meaningful by seeing that the President and his advisers get and pay attention to the full range of varying estimates and opinions which result from the collective work in this building and throughout the community. I ask you in addition to calling it as you see it not to trim your sails to any political budgetary or bureaucratic interests, nor to permit any philosophical or personal bias to shade or modify the facts. I promise you I'll preserve our independence of judgment and get our conclusions to the President and his advisers free of any political or personal consideration or any philosophical bias.

Now I suppose you -- some of what I've said to you is quite general. I imagine that some of it has already, in many ways, been implemented as part of your process and practice, and you'd like to hear more about my plans for the future. Well, it's too early to tell you much about that, and I'm too cautious. I came -- I will say that I came here without any preconceptions. I have some ideas derived from my experience as a consumer of intelligence, a member of the General Advisory Committee on Arms Controls during the SALT-I negotiations, and as Undersecretary of State later on, and for my work on the Murphy Commission and the President's Foreign Intelligence Advisory Board, and I came down in those capacities specifically on a few things, at that time, which doesn't mean I won't change my mind. I did find -- in the SALT-I I thought that some of the documents were soft. As I indicated before, leaning towards a kind of benign interpretation rather than the harder interpretation of assessing the feeling that the situation was more dangerous.

With the Murphy Commission, I came down agains breaking up the Agency into a lot of components as some of the bills on the Hill now propose, and I don't expect to change my mind about that.

I supported the competitive assessment process, but I'm open as to how that ought to be done, and how it can best be done, and, like everybody, I'm always in favor, and that's an easy thing to be for, improving the analytical process and capabilities.

I'd like to say that in my meetings and discussions here I've been greatly impressed with the caliber of the people, with their professionalism, and the dedication and loyalty of all those I've met. And I intend to proceed to do whatever needs to be done carefully to get the benefit of all the experience and judgment that has been developed here at the senior levels and elsewhere. My general approach is going to be to be careful to preserve what we have, and to upgrade it wherever we can. And I think that that's something you would all join me in undertaking to do.

President Reagan has already requested that we make recommendations in the entire community -- FBI and everybody else, Justice Department -- make recommendations on how we can improve our capability,

our ability to deal with terrorism, acquire intelligence, assess it, deal with espionage, by reducing over-regulation, by trimming restrictions which are not essential to protecting individual constitutional rights, and that process is already underway.

The Congress -- committees of the Congress -- those I've spoken -- Congressmen I've spoken to -- have shown a universal disposition to support the Identities Act and to find a way to ease the burdens of the Freedom of Information Act and, generally, to support and work with the community to improve intelligence collection and assessment, and to stress that aspect of oversight capability and not have the preoccupation that featured Congressional action a few years ago looking for -- looking for real or fancied abuses or illegalities. So I think we have both the public atmosphere -- even the media, I think, is prepared to. Well, I'm quite cautious on that one.

(Laughter).

I think of the public opinion, I think the Congressional opinion, and I'm certain the respect of the Administration is basically very supportive. And when I've had a chance -- and welcome this opportunity to talk with you at this preliminary stage, would like to, as we move along and I find out more about what is needed here, I will look forward to talking in this way again, at higher prices.

(Laughter).

And, meanwhile, although I've noticed that this is a very big building, I will try to wander about meet some portion of you. Again, I'll be cautious on that -- as many of you as I can in the places where you work. And again, thank you for being here, and I look forward to working with you and will thank you in advance for your support.

(Applause).