

## CIA Assessments of the Soviet Union

Douglas J. MacEachin

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Douglas J. MacEachin is a former Deputy Director for Intelligence.

*Editor's Note: This article originally appeared as an unclassified Intelligence Monograph published by CIA's Center for the Study of Intelligence (CSI 96-001, May 1996). The article essentially does not rest on argumentation but on the extensive supporting evidence cited in Appendix A. Because of its length, the Appendix does not accompany the article. The reference citations to Appendix A, however, have been retained in the article's text. The complete monograph is available on the World Wide Web at [www.odci.gov/csi](http://www.odci.gov/csi).*

In the aftermath of the political breakup of the Soviet Union, charges that CIA was oblivious to the deteriorating economy and corroding societal conditions that set the stage for the breakup have taken on the aura of conventional wisdom. *The New York Times*, for example, asserted in an editorial on 22 October 1995 that: “The CIA considered the Soviet Union an economic power when it was actually an economic wreck.”<sup>1</sup> An article in *The Wall Street Journal* on 27 July 1995 by Adam Wooldridge stated that the CIA—in the face of readily available evidence to the contrary—“continued to endorse the myth that the communists had transformed an agricultural backwater [the USSR] into a mighty industrial power capable of ever higher levels of economic development.”<sup>2</sup> Neither of these assertions is accompanied by any examples in which CIA expressed the judgments it is accused of making.

Wooldridge's article was a review of a book—*The Tyranny of Numbers* by Nicholas Eberstadt<sup>3</sup>—which includes similar, albeit less strident,

criticisms of the CIA. The Foreword to Eberstadt's book was written by Senator Daniel Patrick Moynihan,<sup>4</sup> who has been perhaps the most prominent and influential critic of CIA's performance on the Soviet Union.

The statements from *The New York Times* and *The Wall Street Journal* are fairly representative of the charges levied at the CIA since the breakup of the Soviet Union. Such characterizations, however, are in direct contradiction to the record of what the CIA said in its analytic products. In mid-1991, the House Permanent Select Committee on Intelligence (HPSCI) commissioned a group of economic experts from nongovernment organizations to review CIA's analysis of the Soviet economy. Their final report described what they found to be flaws in certain aspects of CIA's methodologies for quantitative measurements of Soviet performance, especially the scale for comparing it to that of the United States (see the subsequent discussion entitled “The Tyrannical Numbers”). But this “review committee” also stated in its report submitted in November 1991:

*Most reports [from 1979] through 1988 on the course of the Soviet GNP and on general economic developments were equally satisfactory: accurate, illuminating, and timely. In fact, we find it hard to believe that anyone who has read the CIA's annual public reports on the state of the Soviet economy since 1975 could possibly*

*interpret them as saying that the Soviet economy was booming. On the contrary, these reports regularly reported the steady decline in the Soviet growth rate and called attention to the deep and structural problems that pointed to continued decline and possibly to stagnation.*<sup>5</sup>

That HPSCI report was unclassified. The CIA “annual public reports” it referred to were unclassified products disseminated by or through the Joint Economic Committee (JEC) of Congress. These reports—in their entirety, including formal documents submitted for the record, oral testimony, and transcripts of discussions and question-and-answer sessions—have been publicly available since their origin. Eighty-six other unclassified papers by CIA analysts on Soviet economic topics were published in JEC compendiums between 1962 and 1987. All these also were unclassified from their origin and are and have been available for review by anyone wanting to examine CIA’s performance.

About two dozen previously classified CIA papers—produced mainly in the 1980s—have been released during the past few years. Some of these, before their declassification, were reviewed by the HPSCI Review Committee, and a few were described in its unclassified report. Nearly half were used in a Harvard University case study published in mid-1994.<sup>6</sup>

The titles and excerpts from these declassified CIA papers, in combination with the annual unclassified JEC reports, constitute the bulk of the major CIA studies of Soviet economic and societal conditions from

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the mid-1970s through the end of the 1980s. All these declassified products and the majority of the unclassified annual JEC reports submitted from the mid-1970s through the end of the 1980s—36 documents in all—are excerpted in Appendix A. The complete documents are available on request. This material offers a basis for comparing CIA analyses on Soviet conditions and probable future developments during the 1970s and 1980s with what now is known about that period.

References to the record of what CIA actually said—with notable exceptions such as the Harvard case study, an article in *The National Interest*,<sup>7</sup> and a recent feature in *The Los Angeles Times*<sup>8</sup>—have been conspicuously absent from most public discourse on CIA’s analytic performance on the Soviet Union. The declassification of the documents has been preemptively denigrated by some as selective release in an effort to “prove CIA got it right.”

While most of us who were participants in the effort believe the CIA did get most of it right, and are prepared to argue—on the basis of the record—what was right and what was in error, the primary purpose of this monograph is not to “prove” CIA was “right.” Rather, the objective is to demonstrate that assertions

that CIA got it blatantly wrong are unfounded—that charges that CIA did not see and report the economic decline, societal deterioration, and political destabilization that ultimately resulted in the breakup of the Soviet Union are contradicted by the record. Arguments about who was “how right” are of less use, much as we might wish to engage in them.

As regards the charge of selectivity, the best answer is simply the material itself—its volume and the timespan it covers and the fact that so much of it as far back as the 1970s was unclassified from the outset. (There is, in fact, much additional unclassified material available to readers.) These products were simultaneously disseminated to diverse policy agencies and were available to Congressional committees and sometimes specifically sent to them.

There was complete consistency over a decade and a half between the material disseminated in unclassified form and in classified channels. This consistency was specifically cited in the HPSCI Review Committee’s report.<sup>9</sup> To posit that CIA maintained a contradictory picture in a separate set of reports that did not become known to the recipients of the documents cited here would mean a conspiracy was initiated well before one could have known of a need for it.

Certainly there were divergent views and predictions in the CIA—as well as in other parts of the Intelligence Community and in policy agencies and nongovernmental circles—on the potential impact that the economic and societal problems might have on political continuity in the USSR and on the military threat. But there was no disagreement

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within CIA's Office of Soviet Analysis (SOVA) as to the fact of those enormous problems.

### What Did CIA Say?

The story that the CIA presented over the decade and a half before the political breakup of the Soviet Union can be broken into three analytic phases. The excerpts in Appendix A are grouped according to these phases.

### The Failing System

From the mid-1970s to the eve of Gorbachev's assumption of party leadership in the spring of 1985, the CIA portrayed a Soviet Union plagued by a deteriorating economy and intensifying societal problems. CIA products described the growing political tensions resulting from these failures, the prospect that sooner or later a Soviet leadership would be forced to confront these issues, and the uncertainty over what form this confrontation would take.

These products include the unclassified testimony from each of DCI Admiral Stansfield Turner's annual appearances before the JEC from 1977 through 1980 (Appendix A, references 1-4)—part of the “annual public reports” cited by the HPSCI Review Committee. Turner's testimony and the written submissions for these hearings described a “bleak” Soviet economy for which continued decline through most of the 1980s was “inevitable.” The hearing reports include:

- CIA descriptions of how badly Soviet economic performance lagged

behind that of the West and the prospect that Soviet leaders would be forced to confront growing conflicts between civilian and military uses of resources and investment.

- CIA assessments that the Brezhnev leadership recognized the potential for larger political repercussions from the economic failure; that the Brezhnev regime (and possibly even an initial successor) was nonetheless likely to attempt to muddle through rather than confront the politically difficult choices necessary to deal with the decline; that muddling through was not a viable option for the longer term; and that by the mid-1980s the economic picture “might look so dismal” that a post-Brezhnev leadership might coalesce behind policies that could include “structural reforms.”

Other unclassified CIA publications disseminated in 1977 and 1980 (Appendix A, references 5 and 6) presented the same picture of a deteriorating economy that ultimately could provoke more radical policies.

From the late 1970s through the early 1980s, CIA produced several papers addressing the prospects for “serious economic and political

problems” arising from the combined effect of growing consumer discontent, ethnic divisions, a corrupt and incompetent political system, and widespread cynicism among a populace for whom the system had failed to deliver on its promises. (Appendix A, references 7 and 8 and 10-13). One of these papers, for example, described the problems stemming from “long continued investment priorities favoring heavy industry and defense, coupled with a rigid and cumbersome system of economic organization” which “have combined to produce a consumer sector that not only lags behind both the West and Eastern Europe, but also is in many ways primitive, grossly unbalanced, and in massive disequilibrium”:

- These products portrayed a Soviet leadership caught in a descending spiral: declining productivity was depressing the economy, which aggravated the cynicism and alienation of the populace; this in turn further reduced productivity.
- CIA concluded that this “vicious circle” was potentially more significant for the 1980s than “anything the regime has had to cope with in the past three decades,” and that the leadership and elites were fully aware they confronted major problems.
- The analyses repeated the judgment that the Brezhnev regime and the Andropov/Chernenko successions were likely to rely on the traditional Soviet instruments for controlling unrest and imposing “discipline,” but that such approaches would not hold for the longer term in the face of a Soviet populace that was becoming less pliable and more demanding.

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### Enter Gorbachev

When Gorbachev assumed the Party leadership, the analytic questions targeted by the CIA were not *whether* Gorbachev faced a deteriorating economy and major societal problems. They were: what would be his plan for dealing with them? What would be the repercussions on political stability in the USSR? What would be the implications for US security interests?

CIA products and a National Intelligence Estimate produced within a few months of Gorbachev's accession (Appendix A, references 14-16) described the enormous tasks he faced, but concluded (in CIA's case) that he was indeed a new kind of leader with an agenda to confront the maladies in the Soviet economy and society. These early assessments, however, also presented CIA's judgment that if Gorbachev's vision really went no further than trying to "fix" the existing system, his prospects of achieving his aims were low. (This judgment was also presented to the JEC at the end of Gorbachev's first year in office. See Appendix A, reference 20.)

Within the first year of Gorbachev's tenure, SOVA also raised the prospect that his agenda could have major implications for defense outlays (Appendix A, references 17 and 18). It judged that, for a while, he could postpone confronting this issue, given the military-industrial infrastructure already in place. SOVA believed, however, that, if he was serious in his objectives, he would ultimately have to deal with the defense burden. On the basis of this analysis, the office attempted to record a dissent from a 1986 NIE's projections of Soviet strategic force

deployments over the coming decade (Appendix A, reference 19) on the grounds that the level of expenditure needed to acquire those forces was directly contradictory to Gorbachev's economic revitalization goals.

At the end of Gorbachev's first year, CIA disseminated a lengthy analysis (Appendix A, reference 21) that previewed the dynamic that would ultimately shape his tenure. It provided an in-depth look at the sources of the endemic societal problems he was confronting and highlighted his principal dilemma—that the very steps needed to deal with these problems would threaten the preservation of the *nomenklatura's* power and thus put at risk his ability to maintain the political strength he needed to bring about change.

CIA analyses during the period 1987-88 (Appendix A, references 22-27) described the increasingly evident flaws in Gorbachev's approach to restructuring the existing system. These papers pointed to the evidence that his half-measures at reform were generating political resistance among the bureaucracy while failing to produce the economic results necessary to sustain popular support for his revitalization program. They also described the intensifying nationality

fissures and the coalescing of threatened establishment factions into an opposing political force.

These same products included SOVA analysts' views that, to contain pressures for defense outlays that would be counterproductive to his economic objectives, Gorbachev would seek arms control agreements and other measures to ratchet down the East-West confrontation. In June 1988, SOVA also disseminated a study (Appendix A, reference 28) concluding that Gorbachev was finally going to confront the military burden issue and that there was a good chance of a significant unilateral cut in Soviet defense spending.

By this time, CIA analysts had concluded that Gorbachev himself recognized the failure of his flawed approach and saw the need for and was prepared to undertake more radical approaches. CIA's expectations of a "watershed" were described in a paper disseminated in June 1988 (Appendix A, reference 29). The timing it postulated for Gorbachev's action was a bit premature, but he did make his move a few months later, at the end of September, when he sought to circumscribe the power of the party and bureaucracy. CIA forecast this event shortly before it happened (Appendix A, reference 30).

### The Showdown

CIA's assessment of the magnitude of this watershed event—which it described as "Gorbachev's September Housecleaning"—was disseminated in December 1988 (Appendix A, reference 31). This paper included the judgment that while Gorbachev seemed to have consolidated

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substantial power to carry out his agenda, he had at the same time intensified opposition in the party elite. He also had put himself in the position where failure to deliver relatively quickly on his promises could produce a major backlash among the populace.

CIA products in the spring of 1989 (Appendix A, references 32-33) described the still dismal state of the Soviet economy and also the rising instability in the USSR resulting from the developments of the preceding few years:

- The economy yet again was described as having faltered badly since the mid-1970s and resembling that of a developing country, despite the USSR's status as a military superpower.
- The political situation in the Soviet Union was described as “less stable than at any time since Stalin's great purges in the 1930's,” and glasnost was depicted as having opened the doors to nationalist movements that “if unchecked, could threaten to tear the system apart.”

In the fall of 1989, a CIA assessment (Appendix A, reference 34) concluded that, regardless of whether Gorbachev remained in power, the forces unleashed by the combination of consumer dissatisfaction and his relaxation of political constraints on public dissent would virtually guarantee a period of “endemic popular unrest” in the USSR “for the foreseeable future.” This assessment referred to the uncertainty that would accompany what promised to be “some of the most turbulent years in [Soviet] history.” The prospect that Gorbachev would be able to control the

events he had turned loose were described as “doubtful at best.”

In the following year and a half, the Soviet-dictated alliance in Eastern Europe collapsed, and Germany was reunified. Within the USSR, the pressures for autonomy from the republics became more open and more intense.

In April 1991, the CIA disseminated a memo entitled “The Soviet Cauldron” (Appendix A, reference 35). This memo—already highlighted in the Harvard case study and the article by Berkowitz and Richelson—argued that there was a high probability of a major political crisis, one form of which could be a coup attempt. Another CIA paper in May (Appendix A, reference 36) said that within the coming year “a major shift of power to the republics will have occurred unless it has been blocked by a traditionalist coup.” Three months later, as Gorbachev was preparing to meet with union representatives to sign the All Union Treaty that would have given greater authority to the republics, the coup was attempted.

It is difficult to comprehend how anyone who has reviewed this material—about one-third of which was never classified—could assert that the CIA “continued to endorse the myth” of a Soviet Union that was a “mighty industrial power capable of ever higher levels of economic development,” or that the CIA was oblivious to the destabilization and crisis that ultimately resulted in the breakup of the Soviet Union.

### **Failure To Predict What Did Not Happen**

The record of CIA analytic products illustrates one of the points made in the report of the HPSCI Review Committee—that some of the criticisms levied at CIA stem from public misconceptions and from critics' distortions of what, in fact, happened. The CIA did not, for example, describe a sudden economic “collapse” that was roughly synonymous or coincident with a breakup of the Soviet Union itself. Those who believe that is what happened will disagree with CIA's analysis, but they also should be required to show the case for their “collapse” interpretation.

The CIA did not forecast the breakup, either in timing or form, with the same sense of inevitability that is touted in many of the retrospectives critical of CIA's assessments. The Agency did predict that the failing economy and stultifying societal conditions it had described in so many of its studies would ultimately provoke some kind of political confrontation within the USSR. The timing of this confrontation, however, depended on the emergence of a leadership to initiate

it, and its form depended on the specific actions of that leadership.

After that leadership finally appeared in the form of Gorbachev, the consequences of its actions—well intentioned but flawed—were dependent on diverse political variables and decisions that could be and were *postulated* but could not be *predicted* even by the principal actors themselves. Many of the critical events were precipitated and shaped by decisions made by Gorbachev that even he—at the time he assumed power—could not have predicted that he would make. When, for example, did he decide to undertake his September 1988 “housecleaning,” and what would have been the outcome had he not done it?

It was by no means inevitable that the new leadership would appear when it did or follow the particular course that it did. It was not inevitable that Chernyenko would die when he did. And if he had not, how much longer would the Soviet Union have muddled along?

It was not inevitable that Gorbachev would succeed Chernyenko. Indeed, the effort among Soviet political *apparachiki* to head off his apparent succession was of sufficient prominence that US Embassy reporting shortly before the death of Chernyenko speculated that Moscow Party boss Grishin had become the leading contender. This same view was carried back from Moscow by a prominent US academic who had been there just before Chernyenko’s death. Had Grishin succeeded Gorbachev, would the Soviet Union have broken up in 1991?

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to econometric forecasts of inevitable outcomes as seems to be implied in some of the criticism. Would the outcome have been the same if the Russian elections—made possible by Gorbachev’s political actions—had not put Boris Yel’tsin in the position to take the stand that he did? Were the actions of the military—of Pavel Grachev—inevitable?

The economic and societal conditions made it inevitable that something would happen. That was clearly reported by the CIA. What actually did happen depended on people and decisions that were not inevitable. The CIA’s record in tracking this process and describing longer term implications is available for review.

### The Tyrannical Numbers

To the extent that the disparaging public comments make reference to actual CIA products, they focus almost entirely on numbers—GNP figures and some unclassified statistics disseminated by the CIA over the years. The HPSCI report, in presenting its findings relating to those areas of CIA’s work that merited criticism, opined that if the CIA had refrained from comparative assessments—

showing Soviet-US GNP ratios in aggregate and per capita figures or Soviet GNP rankings with other countries—its reports “might very well have not generated the current controversy.”<sup>10</sup> There is some validity to this judgment, although just how much less criticism there would have been is an open question.

This monograph is not intended to take on the methodological arguments over what was the correct quantitative measurement of Soviet GNP. Such an undertaking is well beyond the expertise of this author, and a review of the vast amount of literature that has been devoted to the subject raises a question of whether it is resolvable. A major effort in this area is the study by Abraham Becker of RAND Corporation published in late 1994.<sup>11</sup> Regardless of whether a reader agrees with Becker’s specific conclusions, the presentation encompasses a wide range of diverse viewpoints and is accompanied by an extensive index of pertinent work for those who would seek to delve deeper into the subject. A comprehensive treatment of the issue was recently published by Gertrude Schroeder.<sup>12</sup>

The purpose of this monograph is to argue that judgments on CIA’s performance on the Soviet Union should be based on a straightforward comparison of the record and the events. If the CIA is to be judged as having failed, it should be because the picture painted in the CIA products was/is incorrect. It is useful, however, to put the GNP arguments in the context of the substantive intelligence questions at issue regarding the Soviet Union.

One of CIA’s more vociferous critics, Anders Aslund, referring to the fact

that CIA estimated the USSR's average annual GNP growth during the 1980-85 time frame to be nearly 2 percent, said that, "If the CIA assessments had been reasonably accurate, the Soviet economy would be a maturing industrialized economy . . . there would be little need for economic reform; Gorbachev's urgency would be incomprehensible; and most internal criticism in the USSR would be unfounded."<sup>13</sup>

The Soviet economy portrayed in the CIA products described above, however, hardly qualifies as a "maturing industrialized economy." On the contrary, those products—over many years—consistently described the Soviet economy as, for example, "primitive, grossly unbalanced, and in massive disequilibrium," with a consumer economy that is "fourth class when compared to Western economies," (1981—Appendix A, reference 8) and as resembling "a developing economy" (1989—Appendix A, reference 32):

- The CIA did, in fact, lay out a strong case on the "need for economic reform" in the USSR and described at length the basis for "internal criticism" of the Soviet economy that led to Gorbachev's efforts.
- CIA's analytic products show how frequently the Agency said that eventually the declining economy and stultifying societal conditions would lead to the turmoil in leadership politics that Gorbachev provoked.

Thus, the differences between CIA and Aslund do not appear to be over whether the Soviet economy was in a dismal state, but over what quantitative GNP calculation was an accurate depiction of the situation on the ground.

Much of the criticism of CIA's performance on the Soviet economy falls into this pattern. It entails a substantial amount of intuition. For example, Herbert Meyer, a former economic editor of *Fortune* whom DCI William Casey brought to the Agency in the early 1980s as a special assistant, is quoted as saying:

*Everything I had been able to learn about the Soviet economy, including visiting the place, told me it couldn't be growing at the rate the CIA said it was. . . It simply couldn't be true. I know what an economy looks like when it's growing 3 percent a year, and that isn't what it looks like [Author's note: Actually, CIA calculated the average for the early 1980s at slightly less than 2 percent per year.] . . . You cannot have food shortages growing worse, production shortages growing worse, bottlenecks—all those things we knew were going on—and still have an economy growing at the rate the agency said it was—which the United States was barely doing at that point. . . It couldn't be true.<sup>14</sup>*

As in the case of Aslund's comments, the disagreement was not over all the dismal things "we knew were going on;" the divergence was over whether "those things" were possible in an economy that was growing at an average of nearly 2 percent a year. The CIA argued that this was possible because GNP merely measured gross output without regard to use, quality, or contribution to welfare; it included, for example, the military production and raw quantities of wasteful output. (US calculations of its own GNP as an indication of the public welfare recently have come in for similar criticism.) Others, such as

Meyer, found the numbers "counter-intuitive"—inconsistent with what they saw—and looked for lower numbers they believed were more compatible with the dismal conditions that everyone agreed existed.

Given the nature of the analytic problem posed by the Soviet system, the analysts preparing the numbers anticipated that some of their numbers would be open to question. CIA participants in this analytic effort would welcome an objective public debate on the numbers issue. This would provide a forum in which CIA's numbers and those offered by others could be subjected to a common examination of sourcing and methodology. Such examinations would also illuminate the fact that GNP calculations include production of unsold goods as well as spending on defense and other government projects that may not directly benefit households. These conditions were particularly manifest in the wasteful construction projects and unsold inventories of Communist countries.

An objective examination would also provide an opportunity to confront the "counter-intuitiveness" argument with certain realities such as: (a) the population of the Soviet Union exceeded the combined populations of West Germany and Japan by an amount greater than the combined populations of France, the Netherlands, and Belgium; (b) the Soviet GNP included production for what was probably the world's largest military establishment; (c) material extraction in the Soviet Union was the highest of any single nation; and (d) the principal problem with the Soviet economy was not its size but its distortions—not simply how large the GNP was but its composition and how it was distributed.

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The presentational flaws identified by the HPSCI group may well be more weighty than the methodological shortcomings in the CIA estimates, a conclusion also implicit in the Schroeder and Becker studies:

- The HPSCI report concluded that CIA's practice of expressing its estimate of the Soviet-US GNP ratio as a single-valued geometric average of separate ruble and dollar estimates opened the door wide for misinterpretation, if not misrepresentation. This clearly occurred over the years, although both ruble and dollar comparisons were shown in CIA's major GNP comparison papers and in CIA's annual statistical handbook.
- More significantly, the Agency almost certainly failed to account fully for the differences in the quality of US and Soviet goods in its comparisons. How much this failure biased the results remains to be established.
- CIA analysts correctly point out that their presentations noted the potential distortions in their calculations, but these "caveats" all too often were lost on many readers. For example, CIA measures of growth (GNP in constant rubles) at best were an approximation of changes in the USSR's production potential, not gains in welfare.

In the best of circumstances, numbers lend themselves to what have become known as "sound bites" (one could make a parallel case for "sight bites"). They are easily taken out of context, misunderstood, or deliberately misrepresented. The more technical and complicated the derivation of the number, the more this is so, because much of the audience does not understand the intricacies

included in its computation. The misperceptions arising from CIA's GNP work make a prima facie case that we did not always meet the required presentational rigor.

The problems that can be mitigated by more careful presentation are illustrated in the CIA document listed as reference 32, *The Soviet Economy in a Global Perspective* (March 1989). That document states that, at one time, the Soviet economy reached nearly 60 percent of the US GNP. The 60 percent illustrates one of the criticisms specifically cited in the HPSCI review—presenting a single-figure geometric mean of the ruble and dollar comparisons at a time when the spread between the ruble and dollar calculations was more than 25 percentage points.

Even so, the 60 percent appears in a lengthy paper devoted to describing the disastrous state of the Soviet economy, depicting it as more like a less-developed economy than anything in the West and concluding that this dismal performance posed major political problems for the Soviet leadership. The Key Judgments of this paper are presented in their entirety in the Appendix. The paper itself has been declassified and

is thus available for further examination. Readers can judge for themselves the validity of criticisms that cite this "60 percent" figure as a basis for charging CIA blindness to the state of the Soviet economy, while ignoring the rest of the paper. The "selectivity" argument cuts both ways.

A question that must be asked, however, is how would the message in that CIA paper have differed if the number had been presented as "about 50 percent" or "two-fifths"? Or better yet, what would the public perception have been if the paper had given both the ruble and dollar calculations while stating that the actual ratio was somewhere between them? Would this have had an impact on the judgments the paper offered on the state of the economy over the preceding decade and on the resulting political instability in the USSR? On the implications of that political instability for the longer term prospects of the regime? On the implications for US security concerns? Would such differences in the calculation of the dollar value of Soviet GNP—as opposed to rates of growth of ruble GNP—have shaped the judgments in the long list of CIA products cited above?

### Some Lessons

These are some of the questions that must be asked to learn lessons for the future. A resource commitment needs to be commensurate with the value added. And in these cases, the value added must be measured in terms of the contribution made to policy formulation and execution—not against a concept of precision that becomes an end in itself. Such painful questions should not be

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posed to assess guilt or virtue in the past but to make better use of our analytic tools and resources in the future. The ultimate “tyranny of numbers” is when arguments over them obscure the issues that the numbers are supposed to clarify.

Perhaps the most difficult and disturbing question to come from a review of the record has been posed by some who have for the first time fully reviewed the record: how could the world at large, including so many former policy officials, have developed such a distorted perception of what the CIA said? This might be understandable if it were attributable to a few individuals who—justified or not—may have had a grudge against the CIA, but the near-universality of the perception and its articulation by former policy officials who should have had access to the products cited above are most disturbing.

What the enormous gap between CIA's analytic record and the perception of that record demonstrates—at least in the view of this author—is that the channel of communication between CIA and the policy community has, at best, been poor, and for good portions of the time it has been nonfunctional. Of all the issues that have to be addressed in considering the future of intelligence, this may well be the toughest and most relevant.

## NOTES

1. *The New York Times*, 22 October 1995, p. 12E, “Economic Espionage.”
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11. Abraham Becker, “Intelligence Fiasco or Reasoned Accounting: CIA Estimates of Soviet GNP,” *Post Soviet Affairs*, 10 (October-December 1994), pp. 291-329
12. Gertrude Schroeder, “Reflections on Economic Sovietology,” *Post Soviet Affairs*, 11 (July-September 1995), pp. 197-234.
13. Anders Aslund, quoted in Henry S. Rowen and Charles Wolf, Jr., *The Impoverished Superpower: Perestroika and the Soviet Military Burden*, (San Francisco: Institute of Contemporary Studies, 1990), p. 15.
14. Herbert Meyer, quoted by David Kennedy, *Sunshine and Shadow: The CIA and the Soviet Economy*, Case Study C16-91-1096.0 for the Intelligence and Policy Project, John F. Kennedy School of Government (Cambridge, MA: Harvard University, 1991), p.18.
3. Nicholas Eberstadt, *The Tyranny of Numbers: Measurement and Misrule*, (American Enterprise Institute Press, Washington, DC, 1995).
4. *Ibid.*, p. xviii.
5. House Permanent Select Committee on Intelligence—Review Committee (hereafter cited as HPSCI Review Committee), *An Evaluation of CIA's Analysis of Soviet Economic Performance 1970-90*, 18 November 1991.
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8. James Risen, *The Los Angeles Times*, 4 January 1996, p. 1, “In Defense of CIA's Derring-Do.”
9. HPSCI Review Committee, p. 9.
10. HPSCI Review Committee report, p. 8.