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STUDIES IN INTELLIGENCE

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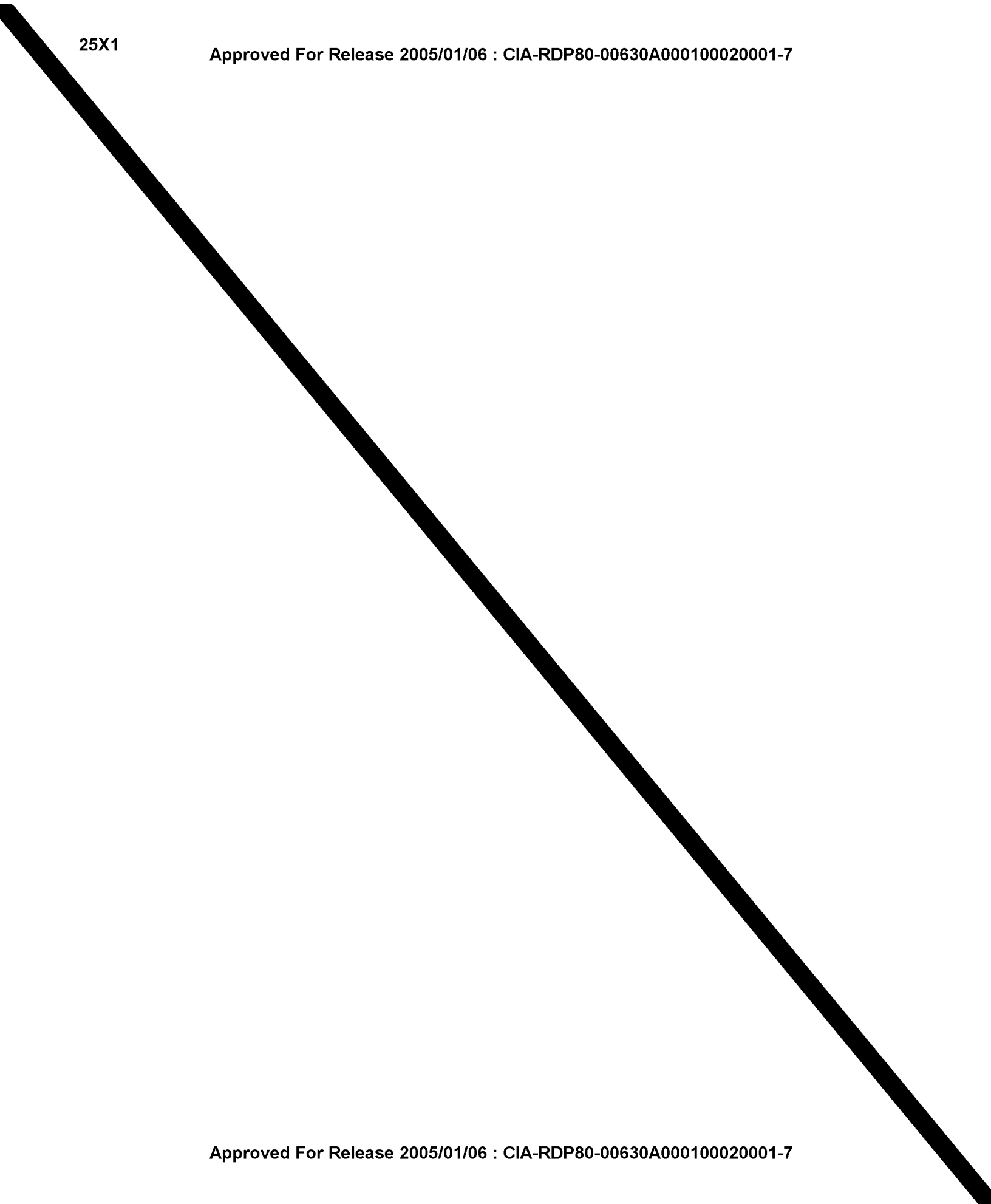

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CONTRIBUTORS TO THIS ISSUE

The Honorable Gus W. Weiss ("Cosmos 954") has been Special Assistant for Space Policy, Office of the Secretary of Defense, since October, 1977, after six years on the White House Council on Economic Policy. With a doctorate in economics, he has been a professor of economics and a member of the senior staff of the Hudson Institute.

Myron Rush ("Analysis by Debate") Professor of Government at Cornell University, has been "scholar-in-residence" for the USSR Division of the Office of Regional and Political Analysis and will be returning to Cornell this fall. In 1958, while a specialist in Soviet affairs for the Rand Corporation, he wrote "A Neglected Source of Evidence" (on hidden meanings in Soviet announcements) for Volume 2, No. 3 of *Studies in Intelligence*.

The satellite that came into the cold.

THE LIFE AND DEATH OF COSMOS 954

Gus W. Weiss

Cosmos 954 was launched in the Soviet Union on 18 September 1977. By November, U.S. tracking radars had observed an unusual decay in its orbit. On 6 January 1978 the satellite lost its attitude stabilization system, a terminal ailment. On 24 January Cosmos 954 crashed in the ice and snow near Great Slave Lake, Northwest Territories, Canada.

This satellite was one of a series scanning the oceans by radar, seeking out large surface ships. Such satellites use a small nuclear reactor to power a radar and the equipment needed to report to a ground station. CIA and DIA judged the reactor to be of the so-called *Romashka* variety, but no one could say for certain that it *was* this type; this was surmise, nicely done, but still circumstantial. Fuel for *Romashka* is 90 percent enriched Uranium-235, embedded in carbide and surrounded by graphite moderator, yielding a compound considered distinctly unhealthy to fondle. Throughout 954's decay and reentry, its reactor (of whatever type) was alive and hot.

One virtue of 954's life and death is the simplicity of describing the problem it posed, namely: what does one *do* about a live nuclear reactor reentering the earth's atmosphere aboard a Soviet surveillance satellite? A quick scan of literature showed no textbook answer, nor even a textbook question. It remained for the National Security Council Staff to put together a group to cope with the problem, and this article is some of that group's story. It contains elements of tension, humor, self-satisfaction, and some demonstration of the timely use of intelligence.

For those enamored of methodology, permit me to suggest two problem-solving approaches:

Type One: Crisis Management. This scheme suggests that untoward circumstances can be contained, that reasoned information can be made available and used, and that calculated risks are there to be taken. Objectives can be set and means for those objectives spelled out, and out of that array a decision can be reached.

Type Two: Muddling. This implies making up responses as a problem progresses, and coping as events and information unfold over time. Muddling is very much the label for a process, and is to be distinguised from "muddling through," which is a conclusion. Muddling occurs when the decision maker is not sure where he is headed, but has a good idea where he would *not* like to end up. A fancy word is "heuristic," meaning figuring out how to figure it out as time yields its clues.

Those bloodied by the real world recognize that both types apply—the issue of which scheme dominates a problem is determined by the properties of the problem itself. In theory, it would seem necessary to divine the characteristics of a situation before launching into its resolution (nobody in modern history has ever done this, given the resolute dominance of the demand for answers over processes needed to obtain them). In the instance of Cosmos 954, two properties dominated: the NSC group had some time to think the problem through, and second, the "opposition" was Newton's Law of Gravitation, later compounded by Bernoulli and the physical effects of aerodynamic drag on the satellite. The game was against nature rather than against conscious intelligence. This in turn became reckoning the time and place of 954's

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from pg.
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reentry and the likely consequences of that reentry. To the group, "likely consequences" was the probability that one human might be injured (the judgment was one chance in 10,000). For the time and place of reentry, United States tracking experts produced the correct date—24 January—with a spread of two days that narrowed as the 24th approached. For the place, one might cautiously describe this estimate as night baseball with the lights out.

One precondition to problem-solving is in fact to deduce that a problem exists and to move the issue to a forum where it can be worked. The Air Defense Command inferred decay in November, and by formal and random ways sufficient interest boiled up so that by early December DIA had its own interagency group in session. At that time reentry was judged to be for the late spring or summer of 1978, given that the satellite maintained its attitude stabilization. Loss of stabilization would produce tumbling and early reentry, a process which indeed began on 6 January. But an open question in December was the existence of a fail-safe system on 954: if one was on board, it would sense an abnormal condition and automatically boost the reactor portion of the vehicle to a higher altitude parking orbit, where the reactor would cool harmlessly. Judgments varied over this issue, and prudence dictated that the analysis proceed without any presumption of a fail-safe system (note that the eventual crash of 954 still did not preclude the presence of such a system, as it could itself have failed).

DIA's group concluded there was a small chance of a very serious problem. It recognized that the issues posed by 954 spread across many agencies, a circumstance anticipated by the Department of State representative who had already drafted a letter to NSC suggesting that the problem be taken over by the NSC Staff. It was sent. The Department of Energy representative had nearly finished his statistical study of the outcomes and their probabilities; this study proved to be the key analytic piece and upon it was premised the one-in-10,000 chance of harm to a human. The tone of the DIA group was stoic in that we felt captured by a no-win situation (i.e., a negative sum game to theorists). A colleague suggested the outcome of 954 would be akin to determining the winner of a train wreck.

The NSC group formed on 19 December, fetchingly calling itself the *Ad Hoc* Committee on Space Debris. It was put together by active recruiting on the part of its chairman from the NSC Staff, rather than the usual procedure of agency nominations. The facts were recounted, and NSC directed the preparation of, if you will, pre-contingency plans. These included the availability of tracking resources and the assurance that the proper agencies and representatives were receiving information from collection resources. Operation MORNING LIGHT was born.

By 6 January the NSC representative and the respective members of MORNING LIGHT had briefed their principals, and the prospective reentry date was judged to be April. Then, on the 6th, the Air Defense Command reported 954 out of control. The telephones of MORNING LIGHT members summoned them to NSC, and what had been pre-contingencies became an inexorable fact: the satellite was coming down carrying a live reactor, with the best reentry guess 24 January. (This again validated the policy maker's rule of probability, i.e., the simple fact that an event is unlikely does not stop it from happening. For instance, Cosmos 954 landed on its 2,060th revolution, one that had only an 8 percent chance of any land impact.)

NSC gave responsibility to the Department of Energy for domestic contingencies, and assigned it to State in the event of a foreign reentry. Defense was to provide support as required, and I found myself promising airplanes, reconnaissance, and all manner of gadgets to these agencies, should they be needed. At the time, I was not sure I had the authority to do this, but such was the sticky wicket of MORNING LIGHT members.

Arrangements for contingencies are easy; handling the world after the contingency is yet another proposition. Although the risk of harm was judged low, still, the possible harm to populated places could be so severe that its low probability could not allow one just to hope that the satellite could be ignored. And it was here that MORNING LIGHT became a sobering experience for those navigating the problem. This wrenching was not at all helped by worry that a sensationalized leak would disturb the public in unforeseeable ways.

The MORNING LIGHT group had to cope with a set of arrangements and decisions:

Contingency Plans for Cleanup of Radioactive Materials: This estimable task entails finding radioactive sources, decontaminating land areas, and attending to persons found within a harmful distance. It turns out that locating active materiel on the ground is far from a simple mission. The hunt for radioactive pieces surviving reentry has to begin with large search areas, prompted by reentry plots furnished from tracking radar, backed up by any visual sightings. Sensor aircraft would patiently refine the ground search, while high altitude U-2s would seek out the debris cloud left by burned and dispersed uranium. The Departments of Energy and Defense shared this unappealing assignment, but the planning was such that the men and equipment could be launched when the President said to do so.

Ask the Soviets for Information: Because MORNING LIGHT had to infer the type of reactor on 954, we were in some measure presuming our design to the Soviet reactor, substantially complemented by CIA and DIA details about *Romashka*. Little seemed to be at risk in our asking the Soviets for information, and it was the general view that no good answer could be formulated to a postmortem inquiry asking why the United States did not seek data from the owners of the satellite. These are the questions posed to the Soviets, and a paraphrase of their response:

— According to information available to us, Cosmos 954 appears to be quickly decaying into the earth's atmosphere. We estimate that it will reenter the atmosphere any time within the next month.

— We are concerned that Cosmos 954 may be powered by a nuclear reactor and that its reentry into the atmosphere thus may represent a potential for nuclear contamination. If the debris falls on or near a populated area, there is the obvious possibility of a serious hazard to the public.

— In view of these serious possibilities and in the spirit of cooperation called for by the Outer Space Treaty, we would like to hear your view of the problem, as well as any additional information you can give us.

— In particular, if there is a nuclear reactor on board Cosmos 954, we would like to know whether it is designed to disintegrate during reentry or whether there is a significant probability of impact of the nuclear fuel. We need this information to assist in determining what steps to take in the United States to protect our public.

— Given the urgency of this question, we request an expeditious answer.

The Soviets replied that:

> The small power plant at the satellite "Cosmos 954" operates only on U-235 fuel. As we have already said, it is explosive-proof because the accumulation of a critical mass is ruled out. Besides that, the design of the plant provides for its destruction and burning upon entering denser layers of atmosphere.

> However, in view of the accident aboad the satellite [depressurization], it cannot be ruled out that some destroyed parts of the plant still would reach the surface of the earth. In that case an insignificant local contamination may occur in the places of impact with earth which would require limited usual measures of cleaning up.

A colleague remarked that he wasn't too sure what "usual measures of cleaning up" a reactor crashing in from outer space might be, and there was also some ambiguity in the meaning of "explosive-proof".* But some considerable relief was expressed when MORNING LIGHT was told the reactor had been designed to burn up during reentry. (I observed that any seemingly hard information is gratefully received during a crisis, and also noted how vulnerable one can be to that information.)

Notification of Other Countries: The Soviets had not told anybody of 954's impending reentry. The United States had the information, a sensitive problem was nearing full brew, we had no idea where 954 would come down, a lurid leak seemed inevitable, and the satellite belonged to the Soviets.

Who should be informed by the United States, if anybody? What were our responsibilities to our allies and to the world for a problem which was not of our making but about which we knew? Skipping pros and cons, lists of countries, and the imponderable factor that the more nations informed, the greater the chance of a leak, the notification problem was surely disturbing. Mortals, with notorious shortcomings, should not have to make these judgments. But it had to be done, and we went at it on the general approach of notifying our allies and some other countries with which we share such special relationships as tracking facilities. From those countries notified, State received uniform gratitude, but some governments were intensely upset over the slightest prospect that Cosmos 954 might land on their soil.

Notification of U.S. Citizens: Another scrimmage. Congressional leadership was briefed. In MORNING LIGHT contingency planning, the Federal Preparedness Agency was primed to provide state and local civil defense officials with pertinent information *after* a reentry in the United States. At issue again was what to say before anything happened. Judging the imponderables, the plan was to notify local authorities if there was something tangible to notify them about. In retrospect, the steps taken proved right, but 16 hours before reentry, the MORNING LIGHT group was still debating public announcement; we argued through the circumstances pertinent at that late hour and decided to stay on our original approach. The effort had come nearly to reentry time without a break in security, and the United States had been encouraging other countries to contain public comment. A reversal at that hour would have been, at best, awkward.

As the Day of Reentry neared, computers plotted the predicted ground trace. Gazing at the traces, a colleague observed that only one pass would cut across the Soviet Union and that a number of ascending and descending paths traversed Canada (after it was all over, we noted the marvels of retrospective clarity). At 0500 on the 24th, the DIA Current Operations Center called to announce imminent reentry, with a window equal to one complete orbit. At 0653 EST the satellite was down in Canada.

The Center has its complement of maps, red and green telephones, TV monitors, and flashing lights: I didn't have all the right badges (two were required, and at one point some earnest young officer asked why I didn't have all the right badges; at a

* Three senior government officials when briefed wondered if the reactor could detonate like a nuclear weapon. The lesson applies to those who live so close to technical matters that they tend to presume widespread knowledge of engineering or physics to officials trained or experienced in other fields.

moment of high crisis, his inquiry about badges proved most helpful). The CRITIC message failed to reach the responsible State Department officer; he called to find out what had happened. Another officer from State inquired about the satellite impact in the Azores. The computer connecting the DIA center and NSA went down, so a backup system had to be brought up. Later on, a commercial power reactor in Colorado experienced a valve malfunction and some release of radioactivity; at first the release was reported as very dangerous, so intense that it would require the diversion of a nuclear emergency team from the Canadian mission to Colorado. Because of a mix-up, the first report never reached me; by the time the mix-up was repaired, it had been discovered that someone in Colorado misread the radiation sensors and that there was never a problem in the first place. Despite these tiny upsets, the necessary airplanes and search teams were ordered to Canada by the President and did their job.

Later a well-known television journalist called, breathlessly announcing that his network management in New York was "about to be tipped off" that the mysterious East Coast sonic booms were really American ABM attempts to shoot down the errant satellite. Could I confirm before the story went on the air? With an effort worthy of Zeus, I resisted the temptation to respond that the booms were really the Navy's X-25 hypersonic underwater earthquake generator. (Isn't it strange that a reporter might ask for verification of a story about which he was *about to be* tipped off? But then, one can't bother too much about logical sequences.)

The Use of Intelligence in Operation MORNING LIGHT: A pet definition of intelligence is simply information that helps people making decisions think ahead. But "information" is a loaded word. There are facts or data, but then there is creeping interpretation (opinions about facts), followed by hypothesis, conjecture, and theory. Hard work must be done to keep from scrambling these terms and acting on one when it is in the guise of another. Facts and data are observational (at least some of the time), while information is a testing of observation and an arranging of data by some thoughtful procedure. Information gets at the question, "what do the data mean?" and so must lend itself to creeping interpretation. This sets up a dilemma, in that there are too many pieces of data for any decision maker to handle, but going beyond raw data requires the use of judgment by the person doing the organizing. The First Rule of Intelligence is—forgive me—if you want to know something, ask, but be careful whom you ask and how you do it. Hear and listen, see and observe, and go back and do it again, while trying mightily to diversify sources of both data and meaning.

The ear should be tuned to the uncertainty latent in any interpretation, and special efforts have to be made to isolate the variance of a projection, extrapolation beyond known facts, and, perhaps most of all, the compound or aggregate consequences of the separate unknowns bearing on a particular problem. For the re-entry of Cosmos 954, the MORNING LIGHT group had to contend with its fair allotment of queasy questions (some of which could not be termed intelligence issues):

— Did 954 have a fail-safe system?

— What sort of power supply?

— Health hazard?

— Landing when and where?

— Could the Soviet response be believed? Were they conjuring up some rococo scheme to throw us off?

— Consequences of a leak on public psychology?

— Response of foreign governments to our telling them, and responses of those governments not cut in?

For instance, the conviction about the fail-safe device weakened about in proportion to the length of time 954 was in orbit decay. References to the system shifted from "the system," to "if there is a system," to 50-50 odds. Cross-checking suggested that one observation and the notion of sound engineering practice, that is, our own American perspectives, were the premises of the first judgment. Uncertainties became more apparent as time went on, but early checking among sources had made it clear that this would probably happen. This experience underscores the Second Principle of Analysis, that is, carefully observe the difference between the second estimate and the first, for that difference gives a good clue to emerging uncertainty. Surely there must be an epistemology of variable constants, and a price, that is, the longer the waiting period for information, the more circumstances constrain the range of response.

As for public reaction, one reporter said, "What I could have done with that story if I had it a day early!" You can visualize the headline, and the MORNING LIGHT working group took it for granted that any publicity before impact would produce florid reporting and a tense public response. After it was over, a social psychologist at the Center for Disaster Research observed that "people prepare" for earthquakes, floods, fires, and hurricanes, and in general make do. One would surely like to see the research footnotes on public reaction to the first live nuclear object (spewing deadly nuclear radiation) tumbling in from the cold depths of outer space. Intelligence was not asked to judge likely public response or that of governments to notification, but a compilation of post-event reactions was put together.

In retrospect, intelligence stuck to its knitting. The MORNING LIGHT team had a good grasp for that which was known and that which was conjecture. Creeping interpretation never became a problem: the CIA representative gave his reports by way of what we knew, what we did not know, followed by this or that could happen. By 24 January the compound uncertainties had become an almost agreeable way of life; there is some comfort in knowing what is in the realm of the factual and what resides in the realm of pure chance. MORNING LIGHT knew what it couldn't know and prepared accordingly.

Of the two decision approaches, Crisis Management and Muddling, it is clear both were used, however unconsciously they may have been incorporated in the proceedings. Policy work requires the use of any procedure that helps lead to sound decisions, and only the unwise lock themselves into any single approach. The 954 project was blessed with perceptive leadership from the NSC (get a strong team together, listen and fight the issues, but force decisions and get those to officials who can put them into effect). The inexorable approach of 24 January surely provided an incentive not to dawdle over methodological niceties, but the deadly deadline was not by itself the reason MORNING LIGHT worked well.

Early on, the fate of Cosmos 954 was largely of statistical interest, but after tumbling, arithmetic calculation gave way to more intense considerations. Surprises, when they arrive, are usually unpleasant (this may be especially true in technology). History has shown there is a vast market for oracles, but vision is not a gift nature dispenses generously, so mortals are left to ponder what-ifs and prepare for them as best they can. When 954 tumbled out of control, MORNING LIGHT was able to move quickly, mainly because much of its homework had been done, this thanks in good measure to timely and persuasive intelligence work.

OPERATION MORNING LIGHT

CHRONOLOGY OF EVENTS, COSMOS 954

—September 18, 1977 Soviets launched Cosmos 954.

—November 1977 Intelligence sources determined Soviets experiencing difficulties.

—December 1, 1977 Deputy Under Secretary of Defense for Policy (Admiral Murphy) alerted by his staff.

—December 19, 1977 NSC interagency task force on space debris established (State, Defense, NASA, CIA, Energy and OSTP).

—January 6, 1978 Through intelligence sources, determined Soviets had lost control of satellite; reentry date established January 23 or 24, 1978.

—January 12, 1978 Approached Soviets on the issue.

—January 14, 1978 Soviets' response confirmed that nuclear power source was on board and that they had lost control of satellite. Projected reentry on January 24, 1978.

—January 17, 18, 1978 Informed key Congressional leaders (Byrd, O'Neill, Baker, Rhodes, Inouye and Boland) of problem and steps we were taking in event the satellite landed in the United States.

—January 17, 1978 Dr. Brzezinski memorandum making Energy responsible for clean-up and other safety considerations relating to possible reentry in the United States, receiving support from Defense and from other agencies as appropriate. State was made responsible for foreign requests for assistance, calling on Energy and Defense as appropriate.

—January 17, 1978 Approached Soviets for clarification.

—January 18, 1978 Informed our allies and other countries with which we have a special relationship, e.g., tracking facilities.

—January 19, 1978 Soviets responded, indicating the reactor would not go critical and that it was designed to disintegrate during reentry.

—January 20, 1978 The Department Energy Task Force went into operation.

—January 22, 1978 Approached the Soviets and asked if there were any new developments.

—January 23, 1978 Soviet response indicated that reentry was projected for January 24, 1978.

—January 24, 1978 Satellite reentered atmosphere at 6:53 a.m. EST over Queen Charlotte Island and impacted last at Great Slave Lake.

—January 24, 1978 Prime Minister Trudeau was immediately informed that the satellite had landed in Canada. United States offered assistance in locating fallen debris and in cleanup. Trudeau accepted by a return telephone call to the President.

—January 24, 1978 Dr. Brzezinski informed the Soviets that the satellite had landed in Canada.

—January 24, 1978 AFTAC/MAC aircraft and Nuclear Energy Search Teams dispatched to Canada.

Disinformation continues in the Arab world

POLITICAL FORGERIES IN THE MIDDLE EAST

Dr. David A. Crown

Several years ago, writing for this journal under a pen name,[1] I noted that old-fashioned professional disinformation by major governments seemed to be on the decline, and that only the local African con men were still working Embassy Row. But it's a long road indeed that has no turning.

The apparent lull in activity came to an end in the fall of 1976, when it became obvious that professional disinformation efforts by major governments were on the increase. Since then, a series of events have occurred with disconcerting frequency which cannot be accounted for as the activities of enterprising amateurs.

We differentiate between professional disinformation produced by major governments and the work product of individual entrepreneurs by a series of criteria. The African forgeries of the early 1970s best typify the individualistic efforts designed to enrich the loner—such as those we found in Africa in the early 1970s [2]—typically are unsophisticated in construction and highly imaginative in plot. True disinformation, on the other hand, always has a reasonable veneer of plausibility, is surfaced in a believable manner, and tends to support the existing or believed prejudices of the recipient. Major government disinformation can be separated from the work of enthusiastic political activists by techniques for surfacing it in multiple localities, the involved graphic arts talents which have been used, and the archival back-up required for structuring believable "official" documents. The archival and graphic arts requirements should never be underestimated. The amateur does not have the facilities needed to design effective covert action materials. The ability to accomplish first-class signature forgeries is likewise a talent which is not readily available. The bottom line, of course, in all individual initiatives, is the consideration of money for information and/or expenses. True disinformation is almost always given freely without regard for payment.

The Soviets and their Bloc dependents do produce reasonably high-grade covert action materials. The quantum jump from "reasonably high-grade" to "near-perfect" is something requiring extra effort, research, and production facilities which may not be warranted by the assessment of the target. In rare moments of honesty, the Soviets have stated that one can put any type of disinformation into the Third World and it will be believed.

It is certainly erroneous to assume that the Soviets do not or would not make mistakes in the design and construction of their disinformation. They have made and continue to make mistakes which the Questioned Document Laboratory can capitalize on. However, the Soviet style of structuring disinformation based upon past exemplars, if not brilliant, is certainly adequate for the situation. High technical competence may not be as important as correct assessment of target sensibilities. Even if technically faulty, forgeries will have an impact if the circumstances are right. A recent instance of a blatant forgery in England illustrates this point only too well.

[1] Managhan, Dr. Robert L., "Trends in African Forgeries," *Studies in Intelligence, XIX/I*, p.13, Spring 1975 (Confidential).

[2] *Ibid.*

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On May 19, 1977, the London Daily Mail had a sensational scoop on its front page. The story revolved about a letter which indicated that top Leyland Motors executives had received clearance from the Labour Government for illegal payoffs to promote sales abroad. Since the letter agreed with the tenor of the times, no one wondered why a letter supposedly written by a Lord Ryder had a series of misspellings and errors in background data. Two days later a financial analyst at Leyland Motors admitted concocting the forgery. "David English, the Mail's Editor has . . . left unanswered the central question: How could a professional newspaper run so crude a forgery, and why did it make no more than token, eleventh-hour efforts to check with the letter's supposed author and recipient?" [3]

It is axiomatic that people tend to believe data that agree with or confirm their prejudices or fears, and tend to disbelieve information or documents which run counter to their emotional beliefs. The English forgery is comprehensible only in the light of this first axiom of disinformation.

It is the keen assessment of class, regional, national, and racial prejudices which have made Soviet and Bloc disinformation reasonably effective while technically less than perfect. The second axiom of disinformation could be that technical flaws in production are not as important as proper timing, emphasis, and target assessment. Refutations of disinformation a month after the surfacing of an item do not always correct the negative impact produced by the operation.

Over the years, certain Soviet and Bloc techniques have become well-known. In 1961, a classified Agency publication [4] and the open Senate Committee publication, "Communist Forgeries," [5] covered the standard elements of the Soviet *modus operandi*. There have been no significant changes in the intervening years. Soviet disinformation will usually follow the following format:

a. The key document is a "classified" document.

b. The key document is usually on an official letterhead.

c. Montage operations utilizing authentic Department of State or Department of Defense letterheads are frequently encountered.

d. The original key document is never surfaced. The recipient receives a slightly out-of-focus or fuzzy photo enlargement or multi-generation photocopy which is clear enough to read but allegedly not clear enough for detailed analysis.

e. There is an accompanying letter from an anonymous "True Friend" or "Conscience-Stricken Citizen" explaining why the document copy is being furnished.

f. The forged "official" document and accompanying transmittal letter are sent to newspapers and politicians. Multiple mailings are used on occasion.

g. The ultimate aim of most operations is the publication of the "classified" document in the open press allowing for reiterations of the misinformation.

h. There is no cash involved. Everything is ostensibly done out of idealism.

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[3] Nossiter, Bernard, "London Scandal: Scoop Proves Fake", in the *Washington Post*, May 22, 1977, p. A23.

[4] "Sino-Soviet Bloc Propaganda Forgeries: Recent Technical Patterns," April 1961 (Secret) CSHB-F 52-860-23.

[5] Testimony of Richard Helms, "Communist Forgeries," Hearing before the Subcommittee to Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Committee on the Judiciary United States Senate, USGPO, 1961.

Naturally there will be variations upon the basic theme to avoid stereotyping, but the underlying *modus operandi* remains the same.

One must differentiate between two key aspects of disinformation production: traces of true origin, and absolute authenticity of surfaced items. These two elements of production are not the same and should not be confused. The third axiom of the practice of disinformation is the point that it is relatively easy to eliminate traces of true origin and relatively difficult to produce items which appear absolutely authentic in all aspects. With the careful inspection beforehand of all items used in a disinformation effort and the use of disinterested reviewers, it is possible to make sure that an item is not attributable.

On the other hand, ensuring absolute authenticity is a will-o-the-wisp which is pursued but never caught. Absolute replication, even with chemical formulas and precise directions, is a very difficult thing. Replication involving aspects such as paper, ink, format, message, signatures, typewriters, serialization, etc., all require data resources and material resources that are staggering. Considering that timeliness is the essence in effective disinformation, it is understandable that shortcuts are taken and less-than-thorough research of every aspect is accepted.

I have a corollary to the third axiom to the effect that it should be easier for a forensic crime laboratory to disprove the authenticity of a document than to prove the true source of a document. This last statement holds true for political disinformation produced by competent major services; it does not hold true for disinformation concocted by enterprising individuals or incompetent services. In the latter cases, as we found in Africa, the true source can often be detected.

In many cases, the Questioned Document Laboratory cannot prove who actually concocted a forgery. It may suffice just to prove that the purported documents are not authentic and that the United States Government is not involved. Demonstrable proof of attribution is less common than thought in cases involving disinformation by professional major government services and should not be regularly anticipated.

Early in 1977, a spate of forgeries particularly in the Middle East became a matter of concern. By July 1977 we were aware of four different forgeries surfaced during the preceding nine months. The basic thrust of these disinformation efforts was to disturb the burgeoning U.S.-Egyptian relationship.

Case I

In late 1976, a Cairo newspaper received what purported to be a photocopy of a press release from the USIS office in Athens containing an alleged speech by Edwin Yeo, former Under Secretary of Treasury, to the Detroit Economic Group on March 24, 1976 (Figure 1). The press release was accompanied by an anonymous note stating "Dear Sir, I was in Athen (sic) recently, where I got by chance a bulletin of the U.S.I.S. It contains a lot of interesting facts and therefore I took several copies of it. I send you one of them for your information. I think that my signature may be of no importance for you." The alleged speech by Yeo is very critical of Egypt and the Egyptians and implies that the United States would approve U.S. Army intervention to back investment in Egypt.

The format "American Economics/United States Information Service Athens" closely copies the style of such authentic publications of the USIS Athens as "American Perspectives/United States Information Service Athens," shown in Figure 2. The type styles were matched precisely by the perpetrator, and the same IBM type style was used as is regularly used by USIS in Athens. The forgery bears an oval cachet reading "Restricted!" (sic) on the lower part of the page.

ECONOMICS

UNITED STATES INFORMATION SERVICE ATHENS

Monday, April 26, 1976

EDWIN YEO: THE US INVESTMENT
AND EGYPTIAN ECONOMY

o o o o

RESTRICTED

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Figure 1. Forged Cover Sheet.

american PERSPECTIVE
UNITED STATES INFORMATION SERVICE ATHENS

"THE LAW OF THE SEA: A TEST OF INTERNATIONAL COOPERATION"

by U.S. Secretary of State Henry A. Kissinger

Text of an address delivered
in New York City, April 8,1976

OFFICIAL
TEXT

Figure 2. Authentic Cover Sheet.

This forgery involved considerable graphics arts back-up. It is demonstrable, however, that there is no USIS publication entitled "American Economics" in Athens; (b) that the classification "Restricted" has not been in use for many years; and (c) that Under Secretary Yeo was in Washington, D.C. on March 24, 1976, has never spoken before the Detroit Economic Group, and has never made any public pronouncements on Egyptian affairs. No specific indications of true authorship were found.

Case II

In March 1977, an envelope containing a piece of Minox negative film was found stuck to the door of the Sundanese Embassy in Beirut. Enlargements from the negative revealed an alleged letter from Herman F. Eilts, U.S. Ambassador to Egypt, to the Saudi Ambassador to Egypt, dated 14 June 1976, implying that the United States and the Saudis were involved in a plot to unseat President Numayri of the Sudan, a close ally of Sadat of Egypt. (Figure 3)

The alleged signature of Ambassador Eilts on the document is an excellent forgery, one of the finest this author has seen in more than 20 years of practice as a Questioned Document Analyst. Figure 4 shows authentic signatures of Ambassador Eilts obtained from him when he was in Washington for consultation on 17 March 1977. The letter forms employed in the forgery closely follow the forms used by Eilts except for a reversal of movement found in the middle initial "F." The execution of the forgery is close to that of Eilts, but there is some hesitation and tremor present at key points which, when combined with the design problem, in the "F," prove that this signature is a forgery.

This quality of handwritten forgery is almost never encountered in the usual forensic science practice. Such excellent quality is normally indicative of a major government which can afford to retain the services of such a talented individual. No specific indications were found of the nationality of the perpetrator.

Case III

In May 1977, the Egyptian Embassy in Rome received a six-page photocopy of a memo purporting to be excerpts from Secretary Vance's confidential report to President Carter on his trip to the Middle East earlier in the year. There is an introductory note which explains that the author's life would be in danger if he published the notes himself and "Therefore, I appeal to all honest journalists to inform the whole world about this plot." The alleged notes of Secretary Vance contain statements that are offensive to Arab governments and the notes are designed to give a misleading version of the U.S. diplomatic stance at the time. (Figure 5)

The statements made by the purported author imply that he or she must be a close advisor or confidential secretary to Mr. Vance. If that were the case, one would expect the document to be typed on an IBM Selectric produced in the United States, because of the "Buy America" policy of the U.S. Government. The Questioned Document Laboratory was able to demonstrate that the document was typed on an IBM Selectric typewriter manufactured in Europe, with an IBM Selectric typeball manufactured in Europe. The differences between the American and the European products are small but highly significant. Furthermore, the language in the text is not that of a native-born American and contains numerous awkward phrases. While it can be shown that the document cannot be authentic, no specific indications of national identity were found.

Case IV

In late June 1977, all the principal Egyptian newspapers and magazines received by mail a photocopy of an alleged Department of State Operations Memorandum

EMBASSY OF THE
UNITED STATES OF AMERICA

Cairo, Egypt,
June 14, 1976.

Excellency:

After consultations with my Government, I would like to confirm to you its position regarding President Sadat's intentions towards the Sudan.

As the strongest Western nation, the United States has primary responsibility for maintaining stability and peace in the Middle East. In this respect, any disturbance of the balance of forces in the area would be considered dangerous by the United States. From the United States point of view President Sadat's intention to use the situation of instability in the Sudan to obtain prevalent influence there might have unpredictable aftereffects.

As I have already had the honor to inform you, the interests of our two countries in the Sudan could well be secured by establishing a really democratic government composed of influential personalities enjoying our confidence.

In those circumstances the United States has a vital need for additional information on the problem set out above, which we hope to obtain from your Government.

I hope this explanation of my Government's motives will prove useful to you.

Sincerely,

Hermann Frederick Eilts
American Ambassador

His Excellency
Fuad A. Nazir,
Ambassador of Saudi Arabia,
Cairo.

Figure 3. Forged Letter.

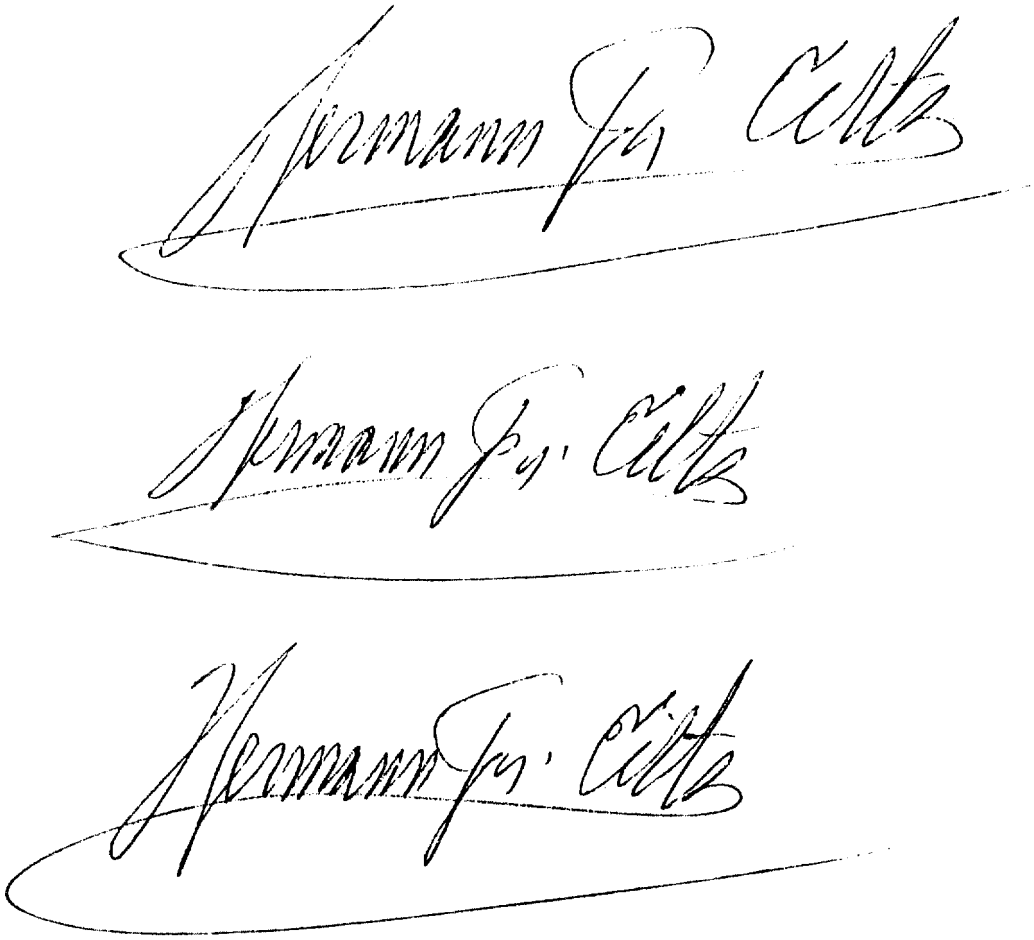

Figure 4. Authentic Signatures.

classified "Top Secret." (Figure 6) The document was designed to disturb U.S. relations with Egypt and to show lack of confidence in President Sadat. The document again bears the purported signature of Ambassador Eilts.

It is demonstrable that the specific Operations Memorandum form used is out of date, that the format of the memorandum is not in accordance with the Department of State Correspondence Manual, that Operations Memorandums are never used for policy matters, are never signed by an Ambassador, and are never used for "Top Secret" matters. Furthermore, the forgery was again typed on an IBM Selectric typewriter equipped with a European-manufactured typeball. Because of the dim nature of the photocopies circulated, the Questioned Documents Laboratory was unable to determine if the Eilts signature was a free-hand forgery as in Case II, or an authentic signature clipped from an authentic document for a montage operation. No evidence of national origin of the perpetrator was found.

At this point it would be well to examine some of the players in this league in the Middle East. The Soviet and Bloc *modus operandi* has been discussed. 25X1 not known to engage in this form of disinformation 25X1 are not known to be producing black propaganda at this time which would impact in

Friends:

Secretary of State Cyrus Vance sent two reports on his Mideast tour to President Carter. I have not read the report written by Vance's aides who had accompanied him on his trip; the report was only signed by the Secretary of State. However, I had an opportunity to read the report written by Vance himself. It contains his impressions and views as well as the hints of U.S. policy and tactics in the Arab part of the world. As I consider it a plot I have summarized the principal thoughts of the report and arranged for their large-scale dissemination.

It is impossible for me to publish them in the papers. My identity would be revealed and my life endangered. Therefore, I appeal to all the honest journalists to inform the whole world about this plot.

Excerpts from Vance's Report

Israel

(1) The talks confirmed and elaborated Israel's standpoint which is well-known.

(2) The present internal problems limit Israel's foreign policy moves.

(3) Rabin is optimistic and confident. He has a good reason for his optimism and confidence.

(a) We shall respect Rabin's outright refusal of the Palestinian participation in the talks. This attitude will serve as a proof that we have freed ourselves from the actions affecting our relations with our closest and most reliable allies in the past.

Figure 5. Disinformation Memorandum.

FORM DS-662
8-1-50

TOP SECRET

OPERATIONS MEMORANDUM

TO: THE DEPARTMENT OF STATE, WASHINGTON Date: March 28, 1977

FROM: EMBASSY IN CAIRO

SUBJECT: POLITICAL DEVELOPMENTS IN EGYPT

REF: W.O.-C-7985-H-77

With reference to my previous reports and the new guidelines discussed in Washington, I have paid close attention to political developments here with special emphasis on how the Sadat Government is tackling the problems posed by the January disturbances.

As time passes, it becomes clear that two major factors helped trigger the January riots: for the first time over a long period, President Sadat came up against the opposition of his advisers, and the Cabinet displayed a large degree of impotency.

President Sadat's attempts to blame the communists and Nasser followers for the January events failed miserably and was poorly conceived even as a propoganda ploy. The Government reshuffle was not carried out and nepotism is as bad as ever. Serious differences persist in the Government. The ministers of information and of welfare openly criticized the President's domestic policy and, in particular, his wife's activity and meddling in political matters.

Since January, there have been no signs of improvement in the posture of President Sadat and his Government. The country's economy is still in crisis. Aid received so far is insufficent for an intensive economic upturn since a good part goes down the drain of corruption. Unfortunately, the same can be said about the aid given by us which, some Egyptian friends say, is being dissipated by the Government. Business leaders in the Government do not have the conception to enable them to find a way out of the country's deplorable economic situation. According to Deputy

TOP SECRET

★ U. S. GOVERNMENT PRINTING OFFICE: 1959-506166

Figure 6. Forged Memorandum.

any way on the United States. Furthermore, [redacted] style, from past examinations, seems to be one of perfection in matters of authenticity; they shun the calculated risk of forgeries which are only semi-authentic in appearance. The various [redacted] in the area are known to back activist groups and to engage in vituperative white and grey propaganda, but our experience, as well as that of the [redacted] is that the [redacted] do not undertake disinformation efforts, nor do they have the facilities and specialists to launch such operations. [redacted] concerned with the Middle East are likewise not known to engage in actual disinformation, nor do they have the requisite backup. Known [redacted] forgeries in the passport documentation area are technically wretched.

On the basis of *modus operandi*, and political intent and expectations, the USSR & Co. became the most obvious possibility as the perpetrator. It was along these lines that I made presentations to various interested governments and specifically to the Egyptian Government in July and August 1977. It was possible to match the elements of standard Soviet *modus operandi* with the specific items involved in the individual cases. In the same vein, the interested governments were unable to suggest any other logical suspect than the Soviet Bloc.

On August 16, 1977, four days after I had left Cairo, the Egyptians revealed that a fifth forgery had been surfaced:

Case V

On 16 August 1977, the Egyptian Foreign Minister revealed that a purported copy of a U.S. Foreign Service Despatch had been received in the mail by the Egyptian Ambassador in Belgrade. The document (Figure 7) accompanied by an introductory note (Figure 8), elaborated a notional U.S.-Iranian plot to oust Sadat.

It is noteworthy that Foreign Service Despatch forms have not been used by the Department of State in many years. There were errors of format, as well as the recurring and tell-tale use of an European-made Selectric typewriter.

At this point, the Egyptian leaders were able to make an adequate assessment of the situation on their own. They determined that this latest forgery had to be a Soviet disinformation effort. [redacted]

Urgent
PRIORITY

TOP SECRET
(Security Classification)

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

FROM US EMBASSY. TEHERAN. CH 652-77
DESP. NO

TO THE DEPARTMENT OF STATE, WASHINGTON. 6 April, 1977
DATE

RE. T-692 H-77

For Dept. Use Only	ACTION	DEPT. Spec. Asst. Officer of Security
	REC'D	INFO OTHER Head of FOA.

SUBJECT:

During the talks, General Hassiri, referring to recent information, broached launching the project elaborated for President Sadat's removal. In their opinion, Mr. Sadat's time is up, he has to step down either by way of a coup or something else. They see this as the only alternative considering common interests in the area and, he says, Prince Fahd completeley agrees. Their final decision was underscored by Mr. Marwan's March report on the Egyptian situation and the President's attitude.

In accordance with the guidelines and in view of the sensitivity of the question, I did my best to be noncommittal. General Hassiri asks us to brief Mr. Fees: Mr. Razmara in Cairo has already received his instructions.

Wm.
REPORTER

TOP SECRET

INFORMATION COPY
Retain in divisional files or destroy in accordance with security regulations.

THE ABOVE INSTRUCTION APPLIES TO THE DEPARTMENT ONLY.

Figure 7. Forged "Foreign Service Despatch."

Dear Sir,

Begin's cabinet doesn't act on behalf of the interests of the Israeli people and in collusion with Iran and Saudi Arabia the Carter-administration wants to raise pro-Likud governments to power in the combat - countries.

President Sadat will be the first has to leave.
Please, warn him of it.

Sincerely,

Figure 8. Covering Note.

Studies in Intelligence *presents the two essays that follow, not for their substantive content, but as examples of analytical techniques. An attempt to formulate what Premier Kosygin may think about the effect of rough economic waters in the USSR on military budgets there broadens into a debate on how the Soviets are likely to react on the issue now and in the future. The debate is informal; the two views presented reflect tentative and personal views which have not been coordinated and do not represent official views of CIA or the respective offices of the originators, ORPA and OSR. The initial approach of preparing Kosygin's speech, however, and the ensuing debate format prepare the ground for a coordinated position by stimulating discussion and research.*

THE IMPACT OF THE USSR'S ECONOMIC PREDICAMENT ON SOVIET MILITARY SPENDING— A SPECULATIVE DEBATE

Myron Rush
and
James A. Barry

I.

Thoughts on the Soviet Option of Diverting Resources From Future Military Programs to Investment [1]

The intelligence community is largely agreed that "the outlook for the Soviet economy over the next five to ten years is more bleak and the prospects for policy choices more uncertain than at any time since Stalin's death." [2] This judgment leads naturally to the question whether this bleak prospect may induce the Soviet leadership to shift substantial resources from projected defense spending to other sectors of the economy. Civilian investment, rather than civilian consumption, has been the chief victim of the economic slowdown, and is the most likely to benefit from a freeing of resources earmarked for defense.[3]

At this writing, firm evidence of a decline in the growth rate of defense spending is lacking. Taking account of the margin of error in our estimates, however, it cannot

[1] Comments on this memorandum should be addressed to Myron Rush, USSR Division, Office of Regional and Political Analysis.

[2] ER 77-10436, *Soviet Economic Problems and Prospects*, July 1977, page i. See also OER's *The Soviet Economy in 1976-77 and the Outlook for 1978.*

[3] The growth rate of capital investment has been reduced by around half in the Tenth Five Year Plan (1976-80) as compared to the Ninth; the net increase, consequently, will be 20 percent less. (Net investment in the Tenth FYP is 120.4 billion rubles as compared to 149 billion rubles in the Ninth.) At the same time, the proportion of consumption funds in the national income is rising. See the article by A. Aganbegyan, a leading Soviet economist and Director of the Institute of the Economics and Organization of Industrial Production, in *Soviet News*, 29 October 1977.

be ruled out that an appreciable decline may already be under way. In any event, unless the intelligence community is open to the possibility of such a shift, there is a danger that its occurrence would go unrecognized. A substantial and persistent decline in the growth rate of Soviet defense spending, were it to occur, would have major economic and political, as well as military, implications.[4] It would indicate that economic constraints, in particular the alarming reduction in the growth rate of the economy, had compelled the Soviet leaders to re-examine their 1975 decision to provide funds for existing military programs while sharply reducing the growth rate of civilian investment.

With a view to illustrating the reasonableness of such a reappraisal from the Soviet point of view, I have set down in what follows a modest proposal. It is derived from Soviet statements and from calculations that have been made in NFAC,[5] together with appropriate argumentation that Premier Kosygin, for example, might employ were he to propose it to the Politburo.[6]

* * * * *

TO: THE POLITBURO CC CPSU

FROM: A. N. KOSYGIN

RE: Measures for Reducing Planned Increases in Defense Spending in the Period 1977-85 [7]

A. Since the October (1964) plenum when the Central Committee replaced Khrushchev and reestablished collective leadership, we have remedied many shortcomings brought about by his arbitrary decisions. In particular, we have made great progress in strengthening our defense forces. The U.S. Government now concedes that we are its equal, and U.S. military planners understandably ask if we are not superior to the United States. To achieve this necessary result, however, we have to pay a substantial price. While in previous decades the economy grew at a rapid rate along with defense spending, this no longer is so. Annual defense spending since 1964

[4] According to an article in the Joint Economic Committee Study, *Soviet Economy in a New Perspective* (1976), holding defense spending level at a projected 1982 rate (assuming a 4 percent rate of increase until 1982) would result in an increased GNP of around 9 billion rubles by 1990, or around 1 percent more than if defense spending continued to grow at a 4 percent rate after 1982 ("An Assessment of Alternative Long-Range Soviet Growth Strategies," page 208). The gain in GNP by 1990 would be substantially greater, of course, if defense spending were held at the 1978 level (or even the projected 1980 level) until 1990.

[5] I have relied chiefly on ER 77-10436, but also on the article "Economic Implications for the USSR of a SALT II Agreement" published in the February 1978 issue of the *Strategic Intelligence Monthly Review*.

[6] The notion that Premier Kosygin might make such a proposal, even if he expected it to be rejected, is not unrealistic, nor is it contrary to what we know of how Soviet politics is conducted. On a number of occasions Kosygin has called publicly for an increased commitment to the production of consumer goods, and not always with success. As long as he did not argue *in public* for a reduced rate of growth of defense spending, and did not appeal an adverse Politburo decision to the Central Committee, there is no reason to suppose that his "Politburo memo" would have the effect of undermining his position in the leadership. In any case, for several years there have been persistent reports that Kosygin has sought to retire from his government post; it seems quite possible, therefore, that Kosygin, now in his mid-70s, would willingly risk his personal position on some critical issue of policy. Brezhnev, presumably, would have to approve the circulation of "the Kosygin Memorandum"; such approval also would not be contrary to what is known of Soviet politics. Even if Brezhnev did not want the Politburo to act favorably on the proposal, he might have his own reasons for wanting it circulated to Politburo members.

[7] For a previous effort to contrive a mock Politburo document as an aid to analysis, see TCS 3778-73, by Albert L. Salter. For examples of real Politburo documents, see N. S. Khrushchev, *Stroitel'stvo kommunizma v SSSR i razvitie sel'skogo khoziaistva (Creating Communism in the USSR and Agricultural Development)*, Moscow, 1963, volume VII, pages 126-177, 197-206, 249-286, 294-308, and 473-486.

has increased by an average of 4.5 percent, but in recent years our economy has barely kept pace.

B. At the present time, when we are working on a new 15-Year Plan (which must go forward despite the difficulties that have delayed it), it is incumbent on us to think hard about reducing the rate of growth of defense spending. If we do not, defense will take an increasing proportion of our annual economic product, and our economic growth rate will continue to decline. Within a decade, according to some tentative calculations, economic growth may fall to less than 3 percent per year. This would put the growth rate of our socialist economy below that of the advanced capitalist states, even though they are experiencing a worsening of the general crisis of capitalism. Instead of overtaking the United States, as we have been doing in peacetime since the first Five-Year Plan, we would begin falling farther behind. Our economic capacity to compete with the U.S. military machine would decline, while the military threat we face from China will be growing. If we fail to take effective measures to strengthen the economy, by the last decade of this century, perhaps earlier, our security position may begin to worsen. (Needless to say, if we fail to deal expeditiously with the energy problems we face in the years immediately ahead, the economic basis of our military security will be in even worse shape.)

C. Must we continue to increase our defense spending at the current rate in order to compete with the United States? Observe that while our military budgets have increased steadily, so that annual spending in real terms now is more then 50 percent greater than in 1964, U.S. military spending during this same period has declined in real terms by more than one-sixth. If we could afford to increase defense spending at the same rate as before, there might be reason to do so. But I do not believe we can afford this.

D. Why cannot we afford to continue increasing defense spending at the same rate as before? Let me call your attention to certain economic relationships which have a crucial bearing on this question.

1. A high rate of growth of defense spending requires rapid growth of the national income. *Only by following the path of constantly increasing efficiency can we develop our national economy at a rapid rate, strengthen the country's defense capability and simultaneously allocate more resources to improving the welfare of the Soviet people.*[8] If defense spending increases more rapidly than national income over an extended period, either the improvement of the people's consumption will suffer, or the growth rate of capital investment will decline.

2. The growth rate of capital investment is already declining. *Capital expenditures in the current Five-Year Plan (FYP) are increasing at roughly half the annual rate in the previous FYP (1971-75).* One result of the reduced growth in investment funds has been that *in order to provide adequate capital for agriculture in the present FYP, as Comrade Brezhnev reminded us, we have had to cut back to some degree on the requirements of other sectors of the national economy.*

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[8] Italicized passages in paragraph D of "the Kosygin memorandum" are taken from an article by Politburo member A. P. Kirilenko in *Kommunist* (No. 11, July 1977, pages 19 and 20), in which he pointedly calls attention to the reduced rate of growth in investment and to the interrelationship of growth rates in the economy, in defense, and in public consumption. It should be noted that Kirilenko is the member of the Politburo who oversees the civilian sector of heavy industry, but he is not believed to be a member of the State Defense Council. Thus, if his views were influenced by his bureaucratic interests, he might favor investment in civilian heavy industry even at the expense of military investment, and consequently might be inclined to support the proposals in "Kosygin's Memorandum."

3. The reduced growth rate of investment has already had an effect on our capacity to develop the economy. As you know, national income in the current FYP is scheduled to grow at a reduced rate as compared with the last FYP. Moreover, there is a serious question whether we will be able to achieve even the reduced targets for growth of national income. Whereas *in the last FYP* (and in previous ones) *capital investments rose faster than the national income, in the current FYP the rates fixed for the growth of investments are equal to the growth rates for national income* (28 percent).

4. As you know, we had planned to compensate for the reduced rate of growth of investment by making capital more effective in increasing output than it was in the past. But we are now in the third year of the current FYP, and it is doubtful that the effectiveness of new investment will increase as rapidly as we had planned. Consequently, it appears that we will not attain even the reduced targets for growth of national income.

Let me repeat: if defense spending continues to increase at a constant rate while capital investment and, most likely, national income continue to increase at a reduced rate, then we are headed for serious difficulties. A time may come in the not-distant future when our economic base will be so much smaller than that of the capitalist countries that we will find it difficult to compete with them in strengthening our military forces.

E. I believe that we should make a beginning in reducing the growth of defense spending. This will be difficult, in view of plans already under way. The immediate gains will not be great, though in time the economic benefits will increase markedly. The important thing is to make a beginning. The longer we wait, the harder it will be to take the necessary measures, and the longer it will be before our economy derives major benefits. Have we not delayed long enough? Lenin always insisted that Bolsheviks must attack each problem in its beginnings, before it could ripen. Instead, we have continued to watch our economy decline while sitting back and hoping things would improve. They have only gotten worse. Now we should act.

F. What is to be done? First, we should make renewed efforts to reach a new SALT agreement with the Americans along the lines now being negotiated. This agreement would set a ceiling on the total number of strategic delivery vehicles that would oblige us, as we introduced new missiles, to dismantle about 600 of the old ones currently deployed. (Of course, the United States would also have to observe these ceilings, and other restrictions as well.) It is estimated that the savings from this and other limitations stemming from a new SALT agreement in the period 1977-85 would amount to about 7.7 billion rubles. An excellent beginning. Let me illustrate the significance of the saving. If we went even farther and, instead of increasing defense budgets by 4.5 percent each year, held defense spending constant at the 1978 level throughout the period of the proposed SALT agreement—that is until 1985—we would save around 74 billion rubles (in 1970 prices). Of course, this is out of the question; it would jeopardize our security. But a new SALT agreement would enable us to *initiate a downturn* in the growth of defense spending. Instead of an eight-year increase of 74 billion rubles above the current rate of spending, we would exceed it by less than 67 billion rubles. A SALT agreement alone would make it possible to reduce the currently projected increment in military spending by around 10 percent.

G. Can we do more than this? I would not advocate, of course, that we abandon deployment or development programs now under way, or that we divert existing defense production capacity to the manufacture of capital goods. Nevertheless, there are additional measures that we can take, and they promise to confer much larger economic benefits than would a new SALT agreement. We could stretch out research

and development programs and production schedules and slow the rate of expansion of defense-oriented industrial capacity. This would release material inputs and other resources for civilian production. I propose that we consider freezing the budget for military investment (that is, procurement of hardware and new construction) at the level attained at the end of the current Five-Year Plan. As a first step, I propose that the Politburo request the Defense Council to examine the effects such a measure would have on present programs that are not scheduled for completion before the next FYP. This measure, if adopted, would reduce planned military spending by 1-billion-ruble increments each year beginning in 1981, thereby enabling us to save *15 billion rubles* over the period of the next FYP. That is to say, if we freeze military investment at the 1980 level as I am now proposing, we will reduce the planned increase of military spending in the next FYP over the current level by more than one-fifth.

H. This measure would be facilitated by the proposed new SALT agreement, which of itself would permit us to reduce planned procurement cost in the 1981-85 period. If we assume that, of the 7.7-billion-ruble savings from a new SALT agreement, around *2 billion rubles* would result from a reduction in operational costs, then these two measures—a new SALT agreement and a freeze on military investment—would save *17 billion rubles*.

I. Finally, my third and last proposal. The size of our armed forces is now almost one-fourth greater than 15 years ago. At the same time, our country's manpower pool has been growing at a reduced rate. We must find additional manpower for the civilian labor force. I propose that in the next FYP we reduce our armed forces by one-eighth—that is, by 500,000 men. Such a reduction is feasible in view of the increased effectiveness of our new weapons and the improved correlation of forces that we have brought about in the past decade. The addition of a half million men to our labor force would alleviate the impending shortage of labor and significantly enhance the productivity of our economy in the next FYP. I cannot provide a precise estimate of the budgetary savings this would make possible, of course, but they would be substantial. My proposal would save 1.5 million man-years during the FYP. If we assume an average cost per man-year of 1,333 rubles, then the total saving would be 2 billion rubles, or around 3 percent of projected military spending in the FYP above the current level.[9]

J. The total saving from the three measures I am proposing would be roughly 19 billion rubles, or more than one-fourth of the increased spending that would result if the defense budget continued to grow at 4.5 percent per year from 1978 to 1985. These measures would reduce the growth rate of defense spending and help to assure that military costs in the years ahead did not outpace the growth of the economy. Observe, moreover, that these measures would not cause us to fall behind the United States in military spending. The growth rate of the U.S. defense budget in the next few years, according to announced plans, is expected to be around 2 percent.

K. Let me make a further point. After 1975, when the United States ceased making war in Vietnam, the U.S. military budget, in real terms, did not decline much and soon began to rise significantly. Why was this? Why did the U.S. military budget

[9] In 1960, when the Soviet Union, just as today, was facing a serious labor shortage, Khrushchev proposed to the Supreme Soviet a one-third cut in the size of the armed forces, amounting to 1.2 million men. He estimated that the annual savings would be around 16 billion to 17 billion (old) rubles. This is the equivalent of 1.6 billion to 1.7 billion new rubles, or around 1,333 rubles per man-year. Today, the cost of maintaining and equipping an average soldier would probably be substantially higher because of inflation. Khrushchev called attention to the fact that his proposal would "result in a considerable number of servicemen resuming work" in the economy. Although Khrushchev's 1960 proposal was never fully carried out, three previous reductions in the armed forces, totaling more than 2 million men, were announced, and apparently implemented, in the period 1955-58.

fail to go down after the U.S. war in Vietnam, as it had after the U.S. war in Korea? There are many reasons, no doubt, but one important reason is this: after 1953 we reduced the size of our military forces substantially, and this no doubt encouraged the Americans to do likewise. On the other hand, our military forces (as well as our military budgets), having grown substantially after 1968, continued to grow once the Vietnam war had ended. What would the Americans do if they observed us reducing our armed forces by one-half million men and reducing the growth rate of our defense budgets? The governments of Western Europe are weak and no doubt would like an excuse to reduce defense spending, which is a principal cause of their inflation. President Carter in his election campaign talked about reducing U.S. military spending, although he has not done so. What if we explained to leaders of the peace movement in the capitalist states that the Soviet Union was reducing the size of its armed forces and, in a manner of speaking, was reducing its military budget as well? I believe that such ammunition directed against the capitalist governments would force them to reduce their future military budgets. New perspectives would open for us at the Strategic Arms Limitations Talks and in negotiations on mutual force reductions. Our relative military position in a few years might be even better than if we continued increasing our defense spending by 4.5 percent each year. In addition, detente would acquire new dimensions, and the large credits we want could not be denied us so easily by rabid anti-Communists in the Congress and in the government.

L. I hope members of the Politburo will think hard about my proposals. Soviet military strength is no less dear to me than to the commanders of the Soviet Army. But we must be certain that our economy will be strong enough, in the year 1990 and in the year 2000, to provide the powerful military forces that our security requires.

1 July 1978
A. Kosygin

* * * * *

If Kosygin's hypothetical proposal were presented to the Politburo, it is not likely that it would be adopted, at least not in its entirety. Yet the proposal is not unreasonable on the face of it. Unless the Soviet leaders are blind to the danger to future Soviet security of the declining growth rate of the economy, and blind also to the additional threat to the economy posed by impending fuel constraints, they probably are interested in reasonable proposals to divert resources from projected defense programs to civilian investments.

The argument is sometimes heard that since military production is what the Soviet economy does best, the USSR will maintain its policy of rapid growth in military spending without regard to the effect on the growth of the economy. But the Soviet Union has long prided itself, not without grounds, in the observation that what it did best was to maintain high growth rates of the economy. Long after Stalin was dead, his policies of forced economic growth in the decade before World War II and again in the postwar period were praised for enabling the Soviet Union to maintain an adequate defense establishment with which to oppose its formidable enemies. Are we to suppose that the traditional twin policy of rapid growth of the economy and of the military establishment (at the expense of the consumer) has been abandoned, that one of the twins has been sacrificed to the other? If so, this represents a fundamental departure from the policy established almost a half-century ago, when the first Five-

Year Plan was formulated with the object of achieving a rapid growth of the economy as a necessary basis for the country's defense capabilities.[10]

Even before the problem of choosing between "guns or growth" had become as acute as it is now, some perceptive figures in the USSR had warned of the serious consequences of wrong choices. Nikita Khrushchev in particular, after being ousted from office, publicized his concern:

> We must remember that the defense industry is a nonproductive sector of our economy. . . . Military expenditures are a bottomless pit, into which the imperialist camp would like to see us pour our economic potential. We must not give in to the provocations which our enemies will commit against us; we must not let ourselves be provoked into producing unnecessary weapons. . . . We must remember that the advancement of science and technology can be like a whip, cracking over our heads, encouraging us to spend more and more money on national security. We can always build better rockets or better bombs tomorrow than the ones we have today. . . . The Western powers forced the arms race on us during the Cold War. The arms race has been part of a calculated plan to hinder the development of our economy, impede the growth of our standard of living, sow the seeds of disarray and dissatisfaction—and, if possible, bring about the collapse of socialism and a restoration of capitalism in our country. . . . I can't help noticing from my position as a pensioner that the economizing trend we started seems to have been reversed, that now money is being wasted on unnecessary items and categories, and that this new trend of military overspending is putting a pinch on some of the more important, but still underfinanced, areas of our country's life.[11]

While Khrushchev in office was not the wholehearted economizer in military affairs that he here suggests, his criticism of the Brezhnev leadership's excessive military spending is consistent with his defense policy while in office; at that time he reduced the size of Soviet military forces substantially and economized on conventional forces. Just a Soviet defense policy subsequently, in the mid-1960s, became more ambitious, so economic constraints in the seventies could now cause a retrenchment. Moreover, even if the current Brezhnev leadership proves unwilling to retrench—and this remains to be seen—a successor leadership, having observed the further reduction in the rate of Soviet economic growth rate that is likely to occur in the years ahead, may see the problem in quite a different light.

The argument presented here, if valid, has broader implications for the intelligence community:

> 1. In order to weigh the likelihood that the USSR will reappraise the relative priorities of defense and economic growth—as well as the probable outcome of such a reappraisal—the intelligence community needs to examine Soviet incentives for a slowdown in the growth of defense expenditures. Even a marginal initial slowdown may be attractive in circumstances where the *USSR's failure to alter its policy* may lead, in the not-distant future, to a reduced capacity to

[10] In the argument presented here I have left out of account the question of growth in real personal income. However, if defense continues to get an increasing share of the national product as growth of the national product slows, not only will investments grow more slowly than before, but so also, presumably, will personal income. Labor incentives might be impaired thereby, thus defeating the government's efforts to bring about a sharp rise in labor productivity, and perhaps causing a further reduction in the growth rate of national income.

[11] N. S. Khrushchev, *Khrushchev Remembers: The Last Testament* (Boston, Little Brown and Co., 1974), pp. 534-6.

support the defense establishment. To return to what was said earlier: in view of the cyclical character of major Soviet weapons system programs and the wide margin of error in U.S. estimates of Soviet defense spending, unless we are alert to the possibility of a downturn in the growth of Soviet spending, we may fail to recognize such a downturn even after it has occurred.

2. Since the opportunity costs of the rapid and prolonged growth of Soviet defense spending are so large, the intelligence community should reconsider the motives that have led the Soviet leaders to incur these costs during the past decade. Furthermore, if, by hypothesis, a modest reduction in the growth rate of defense spending is *not* currently a live option for the Soviet leadership, it is unlikely that it will be significantly reduced in the years ahead, or that the growth rate of national income will keep pace. What does this imply as to Soviet intentions and overall strategy? Can such behavior be explained adequately by reference only to the rigidities of the military bureaucracy, to Russia's historical experience of destructive invasions, and to Brezhnev's cultivation of the military establishment? Or is it also necessary, in order to make such a persistent and costly defense policy intelligible, to suppose that the USSR anticipates substantial benefits from the acquisition of such powerful military forces—such benefits, for example, as major political gains in the Third World, or perhaps even in Europe?

* * * * *

II

A Rejoinder [1]

Summary

Professor Rush's study is imaginative and stimulating. The approach is useful and could be buttressed by research to provide further insights. The study would be improved by information on the likely policy preferences of other Politburo members and on the flows of economic and defense data in the USSR.

Rush concludes that a major cut in defense resource allocation is a live policy option for the Soviets. The principal arguments against that view are:

— The economic benefits would be small.

— The military impact of the proposal would entail unacceptable risks—including a virtual halt to the modernization of conventional forces.

— The Soviets' current view of the international political environment—especially U.S.-Soviet relations—makes abrupt departures from current defense policy unlikely.

— For internal political reasons, Soviet leaders would not receive the proposal enthusiastically.

— Given these conditions, the proposal's chance of success probably is so small that no political leader would stake his personal prestige on it.

These arguments are discussed in detail below. On balance, Rush's approach is thought-provoking and suggests several areas for research.

Background

Professor Rush begins his memorandum by attributing to the intelligence community a judgment that, economic problems notwithstanding, Soviet defense spending probably will continue to grow at about its current rate, and he gives the impression that this forecast is open-ended. In fact, the forecast focused on the period from now into the 1980s, partly in recognition of the difficulty of making forecasts for a longer term.

Rush notes that one of several factors underlying this judgment of continued growth is the community's assessment that reductions in defense spending would have little impact on Soviet economic growth over the next few years. He focuses on this factor and suggests that more attention should be paid to the economic benefits of substantial defense spending cuts over the long run. He does not, however, deal with the other factors, which include:

— The rapidly increasing costs of new weapons.

— The momentum of Soviet weapons development programs.

— Continued capital construction at Soviet defense industrial facilities.

— The likelihood of domestic political opposition to substantial defense spending cuts.

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[1] Comments on this paper should be directed to James A. Barry, Military-Economic Analysis Center, Office of Strategic Research (351-5238).

— The probable Soviet view of the future strategic environment, which discourages measures to reverse the upward trend in defense spending.[2]

Rush indicates, correctly that there is a requirement for forward-looking analysis. This goal is laudable but difficult to achieve. Novel analytical approaches can help, but they must be supplemented by a continuation of basic research.

The Analytical Technique

Professor Rush's hypothetical memorandum from Premier Kosygin to the Politburo is an imaginative approach to the problem of forecasting Soviet behavior. It is a concise, cohesive presentation of the entire range of arguments that a Soviet "dove" might employ.

Such political gaming techniques, however, must be used with care. Rush's hypothetical memo is an artifice and not necessarily in accordance with the Soviet "rules of the game." Even in a position as high as Kosygin's, a Soviet leader would be unlikely to surface an issue as controversial as this major change in defense policy in so direct a way as to provoke a confrontation and place his personal position in jeopardy. He would more probably approach the subject first in private exchanges and through an exchange of views in lower-level bodies—possibly through surrogates. Only later, if the political atmosphere appeared favorable, would a formal Politburo memorandum be likely. It should also be noted that this issue would not be framed in a simple "hawk versus dove" fashion. The politics of defense in the USSR cannot be modeled as a two-person, zero-sum game.

Clarifications on the Data

Professor Rush quite properly used OSR's latest estimates of Soviet defense expenditures in his hypothetical memo. It is important to note, however, that we do not know how the Soviets define and measure defense resource allocation. Our analysis postulates two alternative measurements of ruble defense spending—one corresponding to the U.S. definition of defense activities, the other somewhat broader, including such programs as internal security forces, NASA-type space activities, strategic stockpiling, and civil defense construction. Both estimates are expressed in constant 1970 rubles—using price weights estimated from analysis of a variety of Soviet data—and exhibit a long-term average annual growth rate on the order of 4 to 5 percent, albeit with significant year-to-year fluctuations from the average.

Whatever data Soviet decision makers such as Kosygin might have, they certainly are not the same as our estimates. The Soviet concept of defense spending might be narrower than the U.S. concept—for example, covering only budget expenditures for the Ministry of Defense. Such a definition was published by the Soviets in 1965.[3] It could be rather close to our broad definition. Depending on his intention, a given Soviet leader could even expand the concept to include investment in defense industries or measures of the cost of defense programs.

Soviet data on defense spending would use a price base different from ours. They might be expressed in current-year prices. Even if the data were in constant prices, they would certainly not display the same trend as our estimates. The price indexes and the methods by which the Soviets estimate constant prices are notoriously flawed.

[2] For a more extensive discussion, see SR 77-10156, *Estimated Soviet Defense Spending in Rubles; Recent Trends and Prospects*, December 1977.

[3] See Gallik and Jesina, *The Soviet Financial System* (U.S. Government Printing Office, Washington, D.C., 1968), page 174.

For example, Soviet statistics for the machine-building and metalworking sector indicate a decline in price levels, while our research suggests price inflation.

The Soviet Perception

It is by no means clear, then, that the Soviet leaders see the relationship between defense and the economy as we do. They obviously are concerned about lagging economic performance—in terms of both the decline in growth and the prospect of energy and labor shortages. They probably see the historical priority of defense as closely linked to their economic problems. Certainly there are enough references to the defense "burden" in leadership pronouncements. But perceptions of this burden vary among the leaders, and in recent years Soviet statements have tended to treat defense more as a world burden than as a problem of particular concern to the USSR.[4] We cite these statements not to prove that concern about the economic impact of defense has lessened, but to show how our limited insights into Soviet perceptions are based largely on propaganda utterances.

Thus we cannot be precise about the Soviet leaders' views on a trade-off between defense and economic growth. In the absence of direct evidence, several analytical approaches are possible. One is Rush's, to hypothesize that a Soviet leader has our exact numbers. Another would be to draw inferences from the past. Soviet leaders have not acted as though the economic impact of defense has had a major effect on their decisions. Defense programs have been well funded, and follow-through on new military programs has been strong even during economic setbacks.

Statistical analysis of growth rates in defense spending and in the gross national product reveals no particular correlation between them. There is some suggestion that the long-term upward trend in defense has been unaffected by the decline in GNP growth. While the growth rate of the economy as a whole is clearly lower in the 1970s than it was in the 1960s, defense spending has risen at roughly the same rate in both decades.

It could be argued that the Soviet leaders are in a new situation, facing new energy and labor problems. The hypothesis can also be advanced that the next few years will be critical ones in which the rate of growth in defense will for the first time perceptibly exceed the rate of growth of the economy as a whole. Under these conditions, one could argue that the position ascribed to Kosygin in Rush's paper would carry substantial weight.

The major difficulty with this view is that, again, it assumes the Soviet leaders are using our statistics on their economic performance. It also assumes that they see the crossover between defense and GNP growth rates as reflecting a continuing, rather than a transient, problem—but they may not see it that way. Even if they perceive that defense spending has grown at a rate exceeding those of other economic aggregates, they may forecast a reversal of this trend.[5] Even though it is evident to the Soviets that many of their economic targets are not being met, they may believe that exhortations to improve productivity, plus minor tinkering with the incentive system and a stress on energy conservation, will shift the economy's growth rate above the rate which they perceive for defense. They may be strengthened in this view by the

[4] OSR Memorandum, *Survey and Analysis of Soviet Statements on Military Expenditures, 1970-1977*, 24 March 1977 (Secret).

[5] Even if they did not, their sense of the seriousness of the problem would be conditioned by how much disparity they perceived. If they saw a 0.5-percent differential between GNP and defense growth rates, for example, they might not be particularly disturbed—at that rate it would take 15 years to alter the defense share of GNP by 1 percent.

fact that the next two or three years are likely to be a relatively low growth period for defense, as deployment of major current programs winds down—preceding an upturn in the early 1980s with the introduction of a new generation of missiles, aircraft, and ships.

Under these circumstances, the Soviets would be reluctant to undertake major defense policy shifts. They would not feel the sense of urgency conveyed in Rush's paper; rather the atmosphere would be one of concern in which marginal—but not substantial—alterations in military force goals might be contemplated.

Responses to "Kosygin's" Arguments

Soviet leaders who opposed the position presented in the hypothetical Politburo memorandum probably would focus on three major points:

— The validity of the statistics cited.

— The impact of the proposed cuts on the economy.

— The military and political impact.

"Kosygin's" Statistics

Rush presents an imaginative use of economic statistics to make a political point. By using selected base years for growth comparisons and discussing shares of absolute increases in spending rather than growth rates, he paints an optimistic picture of potential savings from defense. Presented in a fashion that is more traditional in economic analysis, the same data tell a different story. Moreover, opponents of "Kosygin's" view could use statistics differently.

— "Kosygin" notes that a SALT agreement could save 10 percent of the total projected increment in defense spending for the period 1981-85, as compared with an assumed static level of spending. Put another way, however, the agreement would reduce the current defense spending growth rate by only about one-fifth of 1 percent.

— Freezing military investment at the projected 1980 level would, "Kosygin" points out, reduce the "planned increase of military spending in the next five-year plan over the current level by more than one-fifth." Even so drastic a step, however, would decrease the overall growth rate of defense spending by less than 1 percent.

— In proposing a half-million-man personnel cut, "Kosygin" assumes an average personnel cost per man-year of 1,333 rubles, based on data cited by Khrushchev in 1960. We assume that most of the demobilized personnel would be conscripts, and we estimate their annual pay at less than 100 rubles per year. Allowances and payments-in-kind raise their total compensation to about 1,100 rubles per year, but even this figure overstates the potential savings from a personnel cut because it includes categories of compensation (such as medical care and social insurance contributions) which are also given to civilian laborers. On balance, the total savings from a half-million-man cut over five years probably would be only a little more than 1 billion rubles. Econometric analysis suggests that the contribution of such a cut to growth in GNP would be barely perceptible.

— "Kosygin's" opponents could point out that U.S. defense spending in current prices has increased at more than 5 percent a year since 1964; and they might argue that their calculation in current prices is a more accurate reflection of

the U.S. willingness to shoulder a defense burden than is his calculation in constant prices. Depending on how they constructed their data, opponents might show a slower rate of growth in Soviet spending.

Economic Impact

It should be noted that the data on which Professor Rush based the "Kosygin" proposal came from a hypothetical analysis presented in a recent OER paper on the Soviet economy.[6] The point of the analysis was to show how limited is the impact of leadership options on overall economic performance, and this particular example was presented as an extreme case—showing that even radical policy changes would have a minimal effect. In OER's econometric analysis, moreover, the hypothetical change was supplemented by cutting an additional half million men from the military, cutting production of consumer durables, and increasing labor participation rates (by reducing educational quotas and raising the retirement age). It was shown that the impact of all these options on overall economic growth would be small—an increase of only about 0.25 percent a year in 1981-85. The economic impact of the changes in the "Kosygin" proposal, then, would be less.

The impact of a SALT agreement alone would, of course, be still less.[7] It would represent only about 1.5 percent of defense spending for 1978-85, one-fifth of 1 percent of GNP, and less than 1 percent of investment. The impact of such a resource transfer through 1985 on overall growth would be negligible.

This evidence that even substantial cuts in defense resource allocation would have little effect on the economy highlights the fact that the Soviets' economic problems cannot be solved merely by new infusions of capital and labor into the civilian sector. This traditional Soviet strategy for promoting growth no longer works. New strategies are required focusing on structural changes which will improve productivity. Premier Kosygin, in his role as the economy's top manager, surely recognizes this. This is not to say that he would therefore be indifferent to cutting defense spending; he would not, however, regard it as a panacea and an issue worth staking his political future on, unless it had a reasonable prospect for success.

Because the economic consequences of the "Kosygin proposal" would be minimal, its acceptability would depend on its military and political consequences. In turn, its author's estimates of its acceptability probably would guide his decision on whether or not to surface it.

Military Impact

"Premier Kosygin" requested in his proposal that "the Defense Council . . . examine the effects such a measure would have on present programs that are not scheduled for completion before the next Five-Year Plan." In order to assess this impact, we have analyzed the major Soviet military procurement programs projected for the 1981-85 Five-Year Plan period.

Because Soviet decision makers probably would focus only on the major programs—which determine overall spending patterns—we limited our analysis to such programs, each of which involves a total procurement expenditure [8] of more than 100 million rubles. About 30 such programs are projected for 1981-85. Nearly half are naval programs, and the rest are split about evenly among the other services.

[6] ER 77-10436, *Soviet Economic Problems and Prospects*, July 1977.

[7] See "Economic Implications for the USSR of a SALT II Agreement," *Strategic Intelligence Monthly Review*, February 1978.

[8] Less spare parts and indirect support.

Altogether the programs total about 40 billion rubles (1970 prices)—and again, about half the expenditures are for the Navy. About one-fifth are for Strategic Rocket Forces (SRF) systems, about one-sixth for the Air Forces, one-eighth for the Air Defense Forces (PVO), and the remainder—only a few percent—for Ground Forces programs.

Nearly two-thirds of these expenditures are concentrated in the top 10 programs, shown in the following table:

Major Soviet Military Procurement Programs, 1981-1985

Program	Service	IOC*
New Nuclear Attack Submarine	Navy	1979
New Ballistic Missile Submarine	Navy	1980
New Long-Range Bomber	Air Forces	1981
New Cruise Missile Submarine	Navy	1979
New Large ICBM	SRF	1979
SA-X-10 Surface-to-Air Missile	PVO	1979
Advanced Fighter	PVO	1984
Medium Solid ICBM	SRF	1980
SS-19 Follow-on ICBM	SRF	1982
New Long-Range Antisubmarine Aircraft	Navy	1981

*Initial operational capability

Analysis of spending patterns and interrelationships among the major Soviet force elements indicates that the "Kosygin proposal"—which would require a cut of nearly 18 billion rubles—could not be accommodated without major changes in force structure and in service missions and responsibilities. The armed forces could not absorb such a cut by merely stretching out procurement; a number of programs would have to go. In evaluating these programs, Soviet policy makers would probably recognize several constraints:

— They would certainly not undertake unilateral strategic disarmament beyond the SALT levels; SALT procurement savings probably would be no more than 4 billion rubles—leaving about 14 billion to be cut from the rest of the procurement budget.

— Given current and projected U.S. strategic attack programs, they are very unlikely to cut strategic defense funding substantially; perhaps 1 billion rubles could be saved in this area.

— The remaining general purpose and peripheral attack programs add up to about 14 billion rubles, which the "Kosygin proposal" would cut to about 1 billion rubles, virtually eliminating force modernization for the general purpose navy, tactical air forces, and ground forces. For example, none of the conventional force programs in the top 10 could survive.

A half-million-man manpower cut would also have a substantial, though less dramatic, impact on the military. It would probably entail tightening up in all of the Soviet military services but particularly in the most manpower-intensive service—the Ground Forces. Such a cut could probably be absorbed by a significant reduction in the manning levels of Ground Forces divisions in the interior of the USSR—in effect lowering their readiness status—and by modest reductions in other services and support staffs. It would probably not require major cuts in Ground Forces divisions opposite NATO or China. Thus, the major impact would be on readiness for theater conflict. "Kosygin's" opponents would surely oppose such a major change in

mobilization policy; they would also argue that the overall social, ideological, and economic benefits of military training would be reduced.

Considering the military consequences of the "Kosygin" proposal, the Soviets would almost certainly find the military risk unacceptable. Since the economic benefits of that risk would be minuscule, there is virtually no chance that the Politburo would sanction the proposal.

Political Impact

International. The Soviet leaders would certainly perceive a sharp break in defense resource allocation policy as having serious international political consequences. Those leaders have staked their international standing (and in many cases their personal political fortunes) in large measure on the buildup of substantial military-political power, and they appear confident that they have a say in all matters of international consequence. While acutely aware that military power has limits in direct application, they know that their superpower status gives them substantial political leverage.

Thus, the Soviet leaders are probably satisfied with the international political results of their defense policy; at the same time, they see disturbing elements in world relations which augur against sharp policy changes. In many ways they remain confused and miffed by current U.S. policies.[9] The Belgrade conference and the human rights issue have interfered with their consolidation of the gains from Helsinki. They see the slowness of progress toward a new SALT agreement as resulting in part from a strengthening of "reactionary" forces in the United States. Against this backdrop, the recently announced U.S. defense budget provides for a 3-percent real increase in defense spending. This U.S. budget seems unlikely to inspire a reverse in Soviet spending patterns; it might make Soviet leaders doubt "Kosygin's" hypothesis that, if the USSR cut defense spending, the United States would follow.

The current Soviet position on SALT, moreover, makes it clear that "Kosygin's" proposal that an agreement be concluded because of its economic benefits would not be accepted. The economic argument would not outweigh political and strategic considerations.

The announcements surrounding the U.S. defense budget—which have highlighted the forces in Europe—make the Soviets particularly uneasy about the correlation of forces there. Uncertainty about the neutron bomb and European-based cruise missiles, plus recent press announcements about possible U.S. development of a new intermediate-range ballistic missile and President Carter's personal pronouncements on NATO defense policy, probably precludes major changes in Soviet theater force posture.

Prospects for major changes on the eastern front are also dim. There are no signs of a Sino-Soviet rapprochement, and the recent border incident has increased tensions on the frontier again. The share of defense resources allocated to theater forces opposite China has leveled off in the past several years and is unlikely to increase markedly—but the Soviets probably consider it necessary to modernize their forces along the Sino-Soviet border and expand them slightly.

The Soviet leaders are concerned about instability in the Middle East and Africa and—while they recognize that direct military intervention can be counterproductive—they probably want to keep at least a limited capability for intervention in distant areas. In any event, changes in resource allocation to "power projection" forces

[9] See RN 78-10002, *The Soviet Perception of the Carter Administration,* January 1978.

would have insignificant economic consequences. All airlift and sealift forces combined make up less than 5 percent of Soviet defense spending, and spending for forces with distant-area lift capabilities is smaller still—1 or 2 percent at most.

In sum, there are strong military-political arguments against major changes in defense policy and resource allocation. Barring a profound change in the Soviet view of international relationships and the political efficacy of military power, the "Kosygin proposal" would almost certainly fail.

Domestic. Important Soviet political leaders and major constituencies would probably find "Kosygin's" proposals unacceptable. They could cause major changes in high-level power alignments and could disturb political and economic relations at lower levels. Acceptance of them would be an obvious defeat at the policy level for the professional military, the defense industrial establishment, and their party overseers and managers. These are the people who dominate the Soviet Union's top national security forum—the Defense Council.[10] Their resistance to such radical changes would be abetted by regional government and party officials whose constituents depend on employment in defense industries, as well as by Politburo and Central Committee members who are closely tied to defense industries or are closely identified with current economic policies.

The principal Defense Council opponents of the proposal would enjoy a near monopoly on relevant information. Data on military forces and defense production are controlled by the General Staff and Military-Industrial Commission—institutions with an obvious stake in the outcome of this issue. Without an independent center for defense policy analysis, it is unlikely that "Kosygin" could effectively rebut the arguments of these specialists on the political-military implications of his proposals.

[10] "USSR: Role and Membership of Defense Council," *National Intelligence Daily*, 10 December 1977.

Verdun in the Seventies

A SATELLITE VIEW OF A HISTORIC BATTLEFIELD

Robert G. Poirier

It is called Verdun. One million French and German soldiers were killed, wounded, or missing here in the greatest battle of World War I. Millions of gas and artillery shells crashed down upon a peaceful countryside, leaving it permanently scarred. This small French city, the focal point of the battle from February to December 1916, continues to live with the environmental effects of millions of artillery shells and miles of defensive works. The historical record left upon the landscape and the intelligence satellite's ability to detect it are the subject of this paper.

In a recent article in *Studies in Intelligence*, I pointed out the potential archaeological by-products of intelligence photography of the Middle East.[1] In that region, a combination of politico-military factors and remoteness have made on-site archaeological explorations next to impossible. These obstacles do not exist in Western Europe, but, using the Verdun battlefield as an example, intelligence photography is still capable of producing information of non-military value under dramatically different cultural, climatic, and population conditions.

Verdun has always been the site of battles. Beginning in 450 A.D. with its capture by Attila the Hun, it has been a key to France's eastern frontier defenses. In World War I it would gain a niche in the legends of war. By early 1916, (Figure 1) the Western Front had long been stagnated by trench warfare. The Verdun salient presented a tempting military and psychological target to the German General Staff.

Estimating that a massive threat to this symbol of French history would draw an immediate response, the Germans hoped to "bleed" the French army in its defense. They nearly succeeded. Their attack, beginning on 21 February 1916, drew the desired response. The succeeding months saw the Verdun battlefield become a meat-grinder in which the best French, and eventually German, divisions were torn to pieces. The Germans fell prey to their own tactics to the extent that their losses nearly matched those of the French. By December 1916 both sides, exhausted, stopped fighting, but the countryside, like the combatants, was permanently affected. Post-war efforts to rehabilitate the countryside were undertaken with some success, Nevertheless, traces of the struggle can be seen by anyone who knows what to look for.

Compared to remote areas of the Middle East, the French countryside is an agricultural paradise. Intelligence photography taken, coincidentally one should think, on Bastille Day, July 14, 1972, portrays such a scene. Crops have been sown, summer is in its early stages, and vegetation is in full growth. These conditions are far from perfect for purposes of historical or archaeological analysis. Generally, a clear winter's day or the month of May, because of plant growth conditions, are considered the best times to detect soil or crop marks.[2] Despite the lack of favorable conditions, the versatility, area coverage, and quality of the satellite photography are such that virtually the entire defensive scheme can be reconstructed.

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[1] R. G. Poirier, "Rome East of the Jordan: The Archaeological Use of Satellite Photography," *Studies in Intelligence, XXI/I*, pp. 13-20.

[2] *Ibid.*, pp. 13-14.

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from pg.
39-46

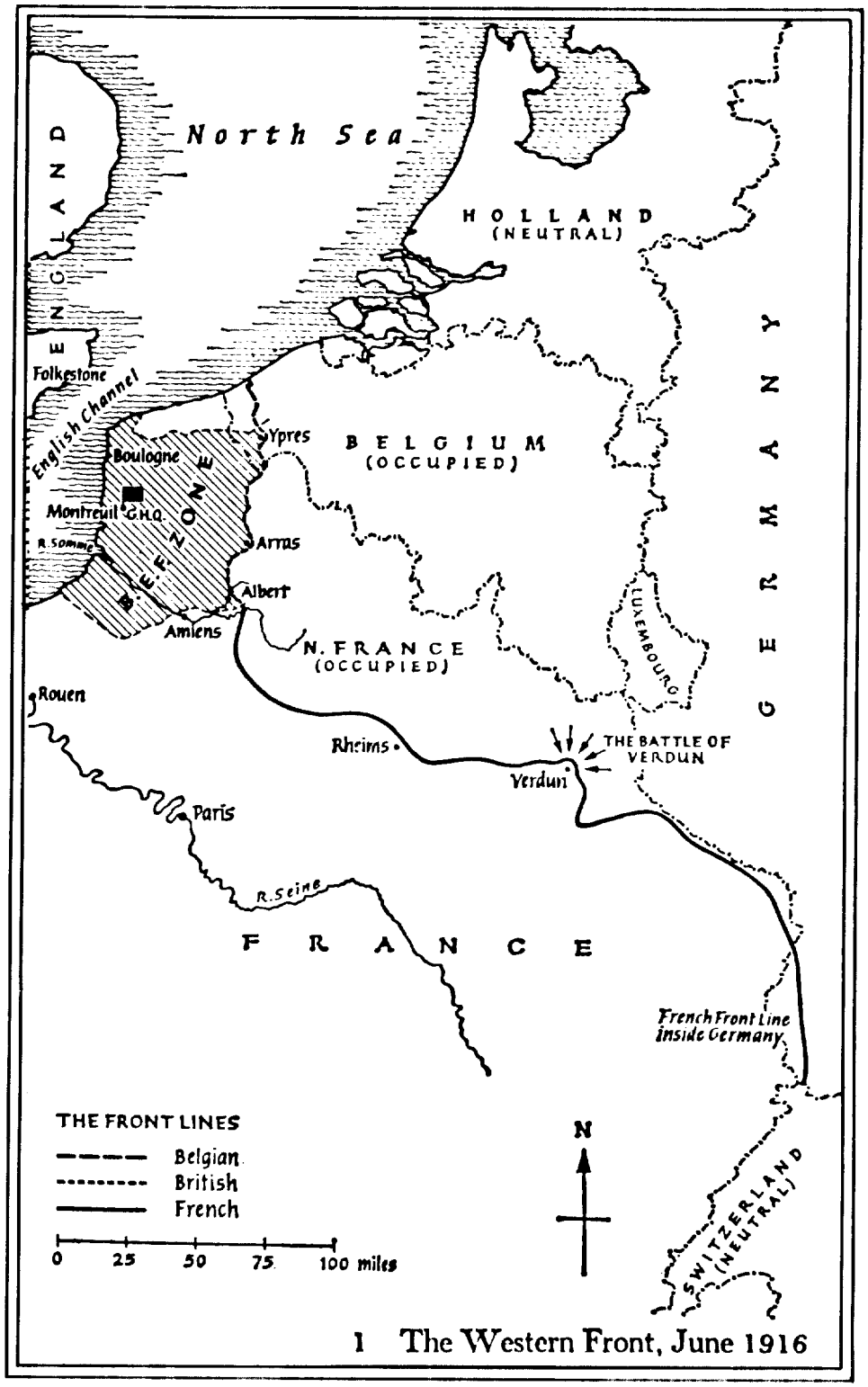

FIGURE 1. FROM EYE DEEP IN HELL, P.14

Limiting ourselves to selected examples, a number of different soil and crop mark returns can be studied. In Figure 2, a view of a section of defenses at Dead Man's Hill north of the city is shown; it is a textbook example. Details such as the front line, support line, dugouts, firebays, shell craters, and communication trenches—some of them no longer visible from ground level—are easily detected in satellite photography. The trenches lie in fields which either are or have been under cultivation. Satellite detection of the soil marks is aided in this case by their being on chalky soil.

Nonetheless, detection is possible under more difficult conditions, as shown in Figure 3. The differing returns of the soil marks photographed by the satellite are striking. The trenches, constructed in chalky soil along the woodline, are easily located.[3] Those found in fields beneath an early crop growth, while more difficult to identify, can still be located, traced, and plotted with certainty. This is a fine example of the satellite system's versatility and quality.

Citizens of Verdun and its surrounding villages do not have to travel far to find remnants of the battle. Figure 4 portrays Chattancourt, a village a few kilometers northwest of Verdun. The inhabitants co-exist with the environmental effects of the battle on a daily basis. Trench lines are found surrounding the village, running into family garden plots, and into the village itself. A few hundred meters northwest is a heavily cratered field. One wonders what relics of the struggle are turned up in spring plowing.

Not all of the information identifiable on the satellite imagery is so subtle. What is left of the great defensive bastion of Fort Vaux (Figure 5) is an example. One of a number of defensive works surrounding the city, it has been preserved as part of the national shrine established at Verdun. The remains of the large defensive moat, the fortified slope (the Glacis), and shell craters on the roof of the underground fortress attest to its ordeal.

Cultural information as well as evidence of historical significance is detectable on the imagery. The great monument and cemetery erected on the battleground, (Figure 6) serve to remind Frenchmen of the heritage of Verdun. The quality of the imagery is such that it is easy to identify the graves of the Moslem colonial soldiers, oriented towards Mecca. Verdun on Bastille Day is certainly a poignant scene.

The non-military applications of satellite imagery which can be exploited are numerous and varied. This article, while concentrating on one aspect, has touched upon historical, environmental, and cultural information. The various historical elements of the battle of Verdun which can be identified on quality intelligence imagery are but a microcosm of potential non-military uses.

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[3] Note the "whitish" soil return of the chalk.

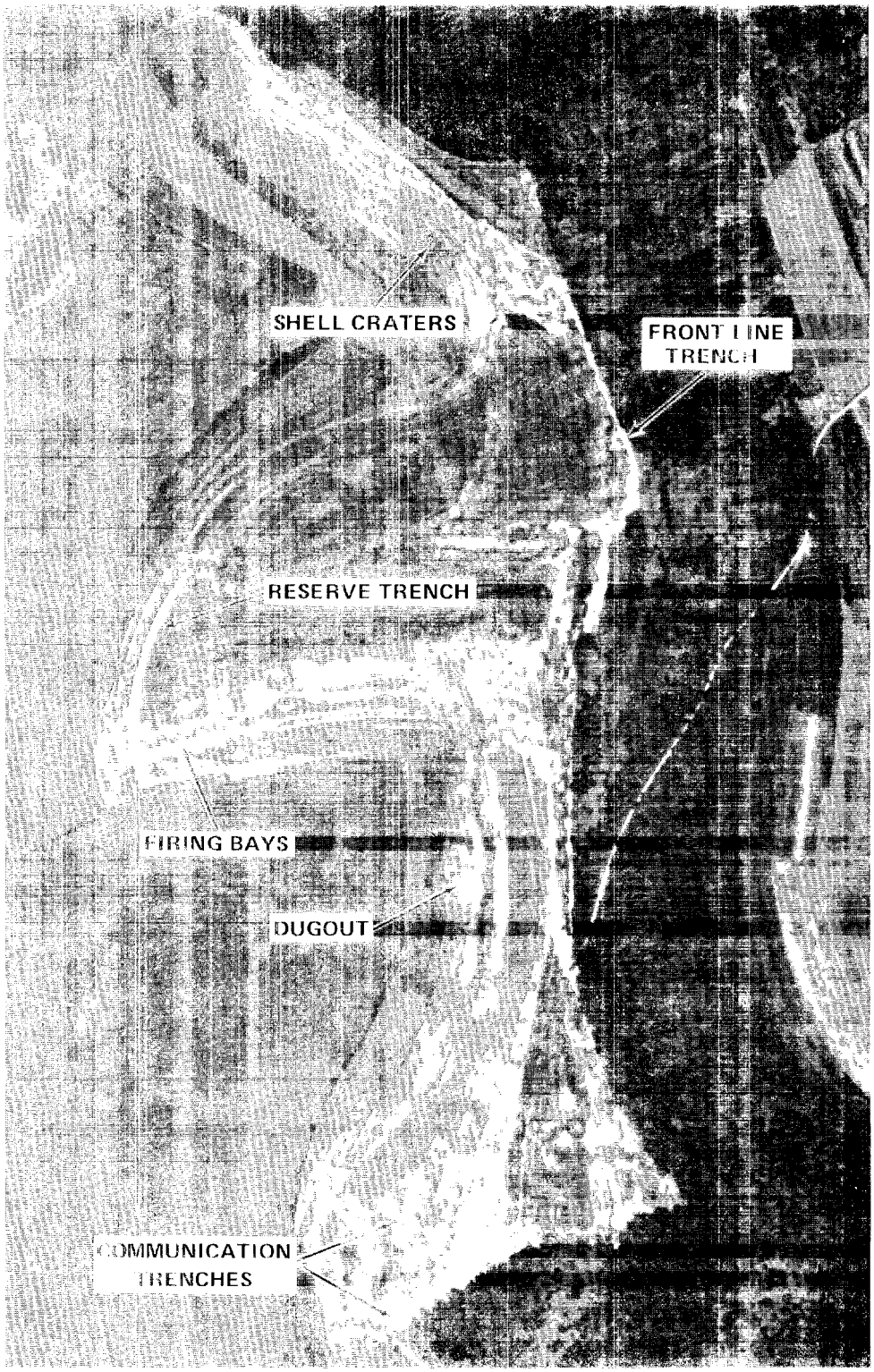

Figure 2. Trench lines, "Dead Man's Hill," Verdun.

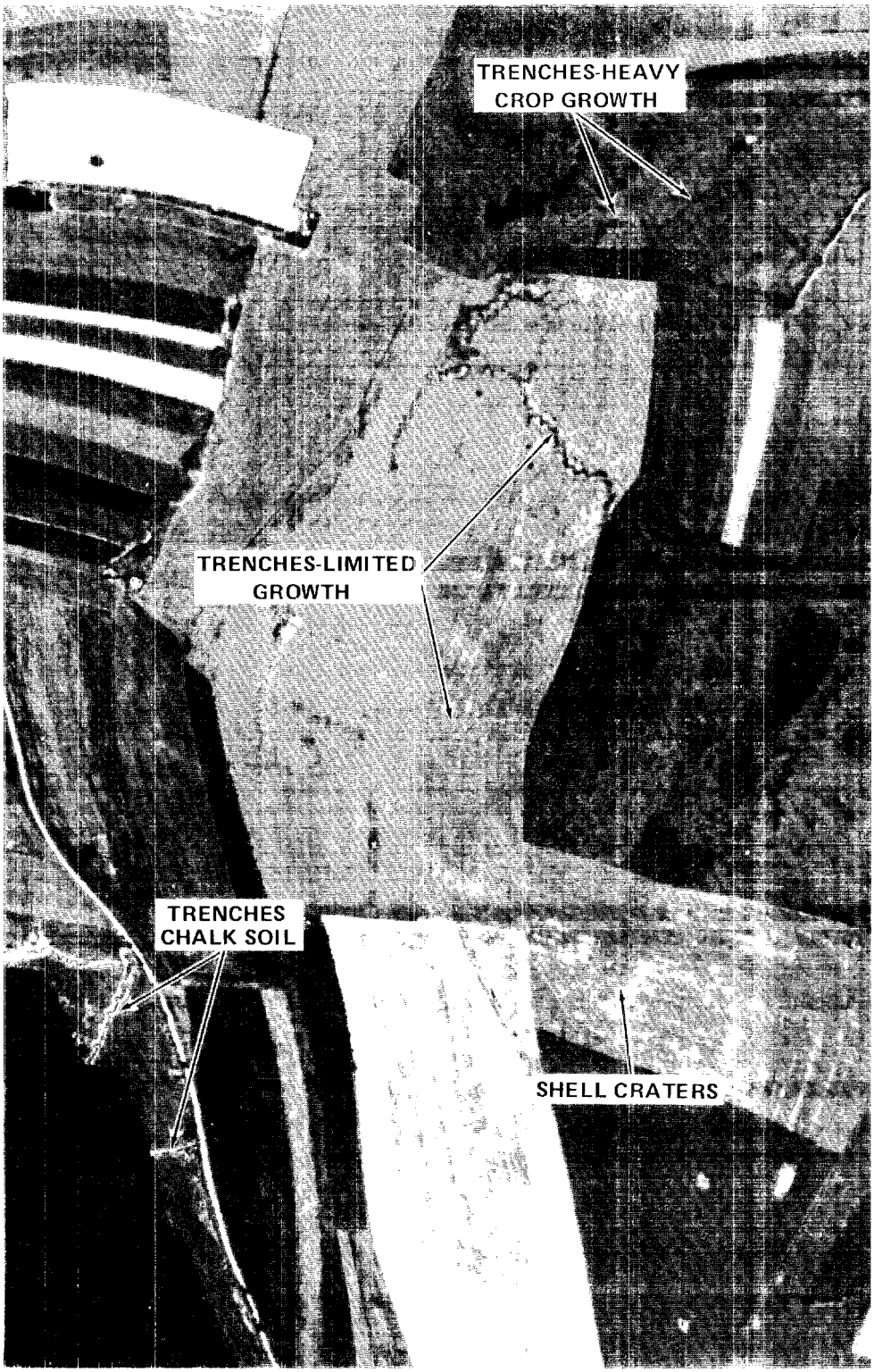

Figure 3. Trench lines, Verdun.

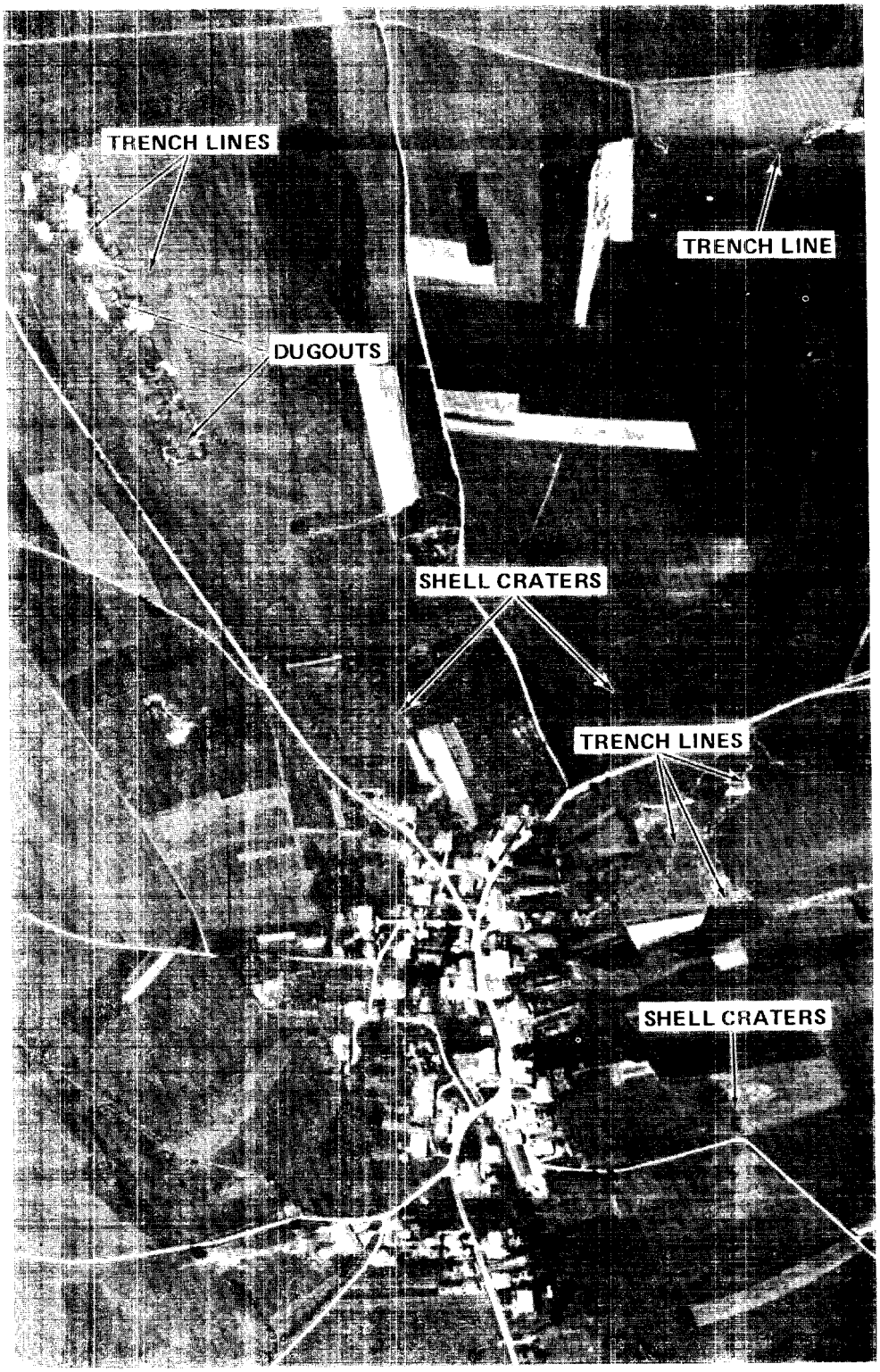

Figure 4. Chattancourt village.

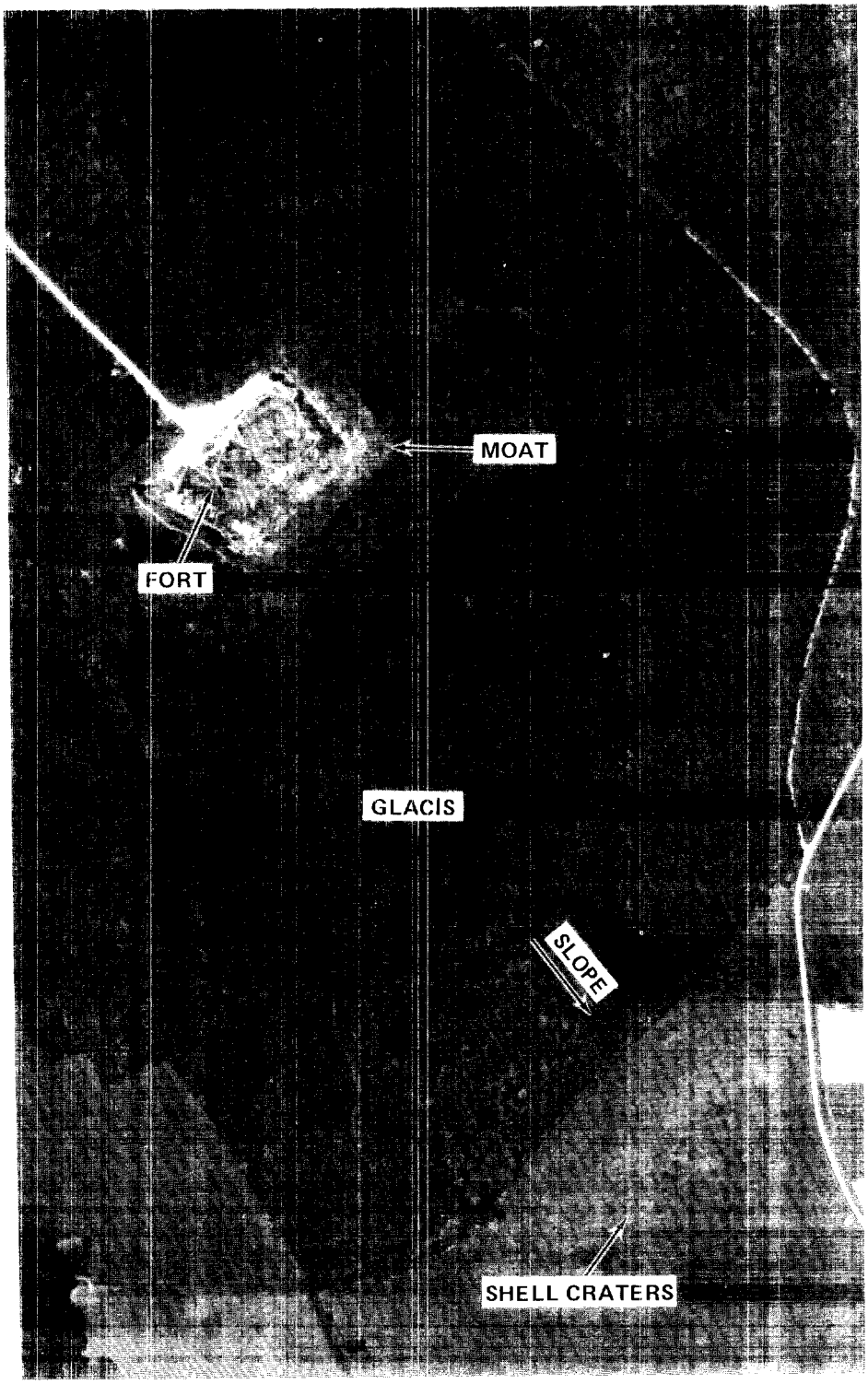

Figure 5. Fort Vaux, Verdun.

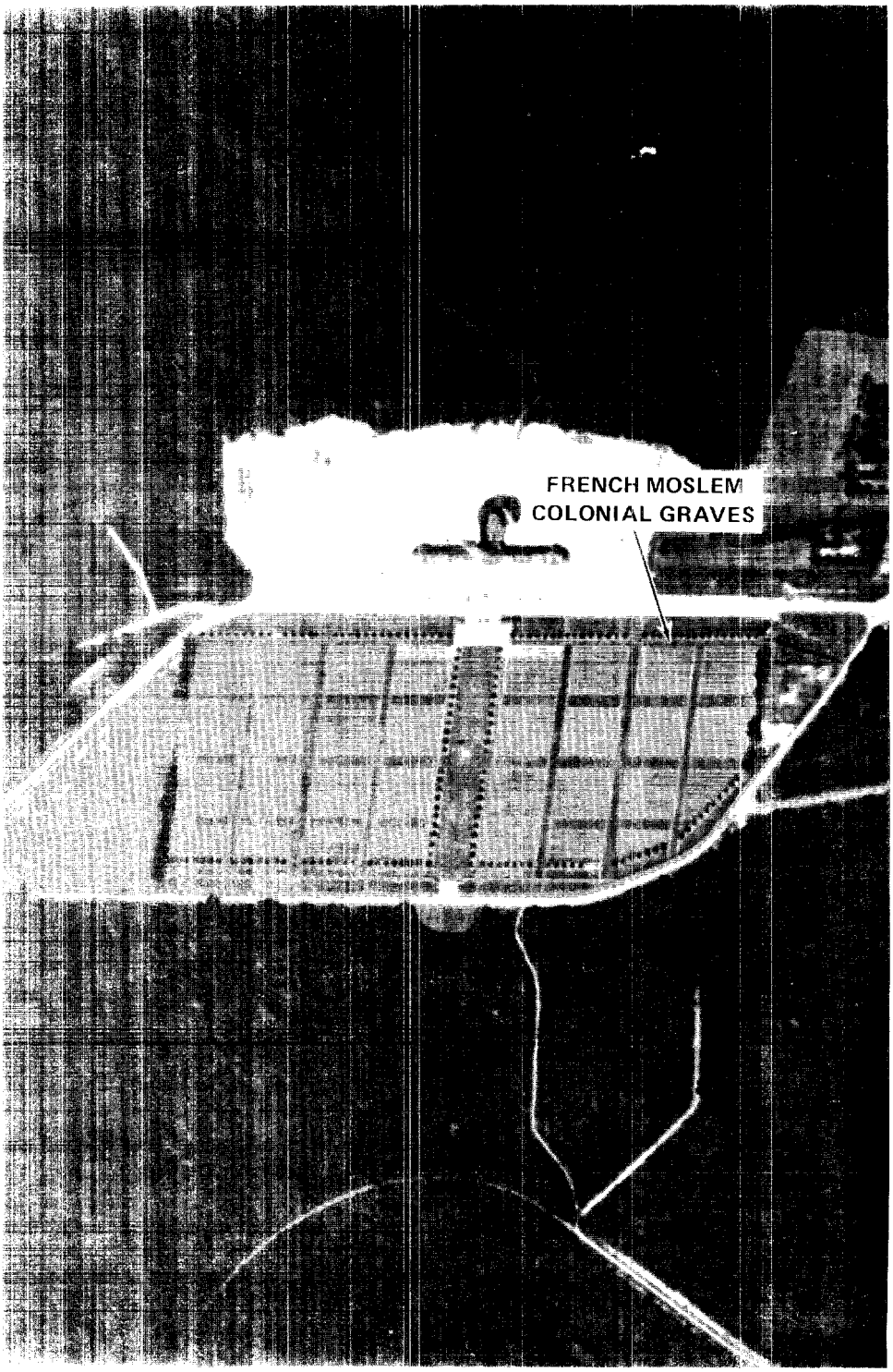

Figure 6. French Military Cemetery, Verdun.

INTELLIGENCE IN RECENT PUBLIC LITERATURE

THE ISRAELI SECRET SERVICE, by *Richard Deacon* [Donald McCormick] (Hamish Hamilton, London, 1977).

The Israeli Secret Service is the latest of Richard Deacon's series of books on foreign intelligence services; his previous works concerned the British, Russian and Chinese services. Richard Deacon is a nom de plume for George Donald King McCormick, a 62-year-old British newspaper man described in the Writers' Directory 1976-1978 as a biographer, historian, and writer on novel and famous criminal cases.

The book consists of 22 chapters; each chapter summarizes an epic event in Israeli history which has intelligence overtones or which constitutes a well-known case of espionage. Thus, he devotes chapters to the Lavon affair, the Lotz and Cohen cases, the Israel Beer case, the Six-Day War, the Yom Kippur War, etc. His technique seems to have been systematic research in the morgues of London newspapers, followed by perusal of some thirty-odd books on the subject, and a few interviews with Israelis, seldom identified. The result is a book which summarizes the various events discussed as they have been reflected in the press or other public media. The availability of the book as a quick reference to Israeli-connected intelligence-related events is perhaps its chief value. It includes espionage, counterespionage, and special operations such as the Entebbe Raid and the midnight circumvention of the French embargo on the export of gunboats to Israel. The index permits recovery of the names of some fairly obscure espionage arrestees.

For the professional intelligence officer the book is of limited value. It reflects the public media account of the events described and this account is for the most part the account which the Israelis desire to have reflected. There is little or nothing in the book about the Israeli secret service *per se*. Mr. McCormick does note that in 1953 David Ben Gurion established a tripartite service arrangement consisting of military intelligence, foreign intelligence, and internal intelligence. However, he says very little about the organization, staffing, training, and basic function of these organizations. He fails to mention in a systematic way who the principal officers of these units were, although he does attempt to humanize those officials he does mention with biographic portraits. He does make one astute observation that is worth repeating here since it is key to professional study of the Israeli service. After noting that the Secret Service had three main branches, he adds that it also had a number of "unofficial tentacles which reached out overseas into all spheres of life, scientific, industrial, military, and purely informational."

When the author does venture into any sort of personal analysis of facts, his conclusions tend invariably to extravagant exaggeration. He notes that "Without the assistance of the Jewish Agency scientists, the Allies might well not have won the war before the end of 1946, or might even have lost it. Certainly their role in helping not merely to win it but to develop the nuclear deterrent for the Western Allies has never received adequate acknowledgement. And without that deterrent World War II might easily have turned into World War III, with a confrontation between the West and Russia before 1947" (page 32). Having delivered himself of this Armageddonic prognosis, Mr. McCormick turns to other things without pause or further comment.

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Mr. McCormick demonstrates on many occasions the newspaperman's innate ability to make the facts fit the headlines. In opening his first chapter the author notes that "organized espionage was an honoured and recognized profession among the Ancient Israelites, as the Old Testament bears witness, and it would therefore be fair to say that, though the State of Israel is only thirty years old, the Israeli Secret Service is one of the oldest of the world's Intelligence organizations." Apparently taken aback by this prose, he follows this up with the statement that the Israelis suffered from the disadvantage of having allowed their intelligence service to lapse for several centuries. Again, in discussing the Six-Day War the author states "If Israel was technically the aggressor, it might perhaps be fair to note that in both world wars it was Britain who declared war on Germany." Quite apart from the flawed parallel in this, Mr. McCormick is answering a question few of his readers are likely to ask.

Given the fact that there are more people of Jewish origin in the United States than there are Israelis in Israel, this book is curiously lacking in any account of the close official and unofficial ties between the two. This is particularly evident when the author attempts to describe the clandestine procurement of arms during the post-World War II period leading up to the 1948 war and the creation of the State of Israel. This may be a reflection of his basically British newspaper data base. This is regrettable, as the Israeli procurement of B-17 bombers and even a surplus aircraft carrier in the U.S. is an interesting story.

In another aspect of his information on the United States, the author quotes an Israeli agent as stating that it was the Israeli Intelligence links with both the French and CIA which kept them informed concerning British plans at the time of the Suez invasion in 1956. The Israeli goes on to say that the CIA knew more about British planning through contacts with the SIS than some Cabinet Ministers in London. Mr. McCormick appears to have been led astray by his Israeli source, perhaps with tongue in cheek. The Israelis never have had to rely on the Americans to keep them informed about the British.

Scattered throughout a number of chapters in the book are fragments of the story of the Egyptian attempt to obtain strategic guided missile systems with advanced warheads, and the parallel Israeli programs. The author limits himself to the more lurid aspects of these matters and is unable to present them in coherent fashion, although there has been much more in the press than he reflects. He also seems to suffer from a lack of the most rudimentary grounding in science and technology. On the Egyptian side, he confuses the attempt in the 1950s to develop sounding rockets with the separate program in the 1960s to develop the Victor and Conqueror missiles which were demonstrated to the press in 1962. The parade and test firing at that time produced a certain amount of consternation on the part of the Israeli service which had its own "missile gap."

On the Israeli side, he makes no mention of their program for the development of strategic guided missiles, although there has been much in the British and European press in that connection. He edges into the nuclear weapons picture with the statement that "according to the most careful scientific predictions," in 1972, the Dimona reactor could produce enough plutonium for one bomb per year. This conclusion is buried in a chapter on Dr. Yuval Ne'eman, a distinguished Israeli scientist who served in military intelligence. With typical hyperbole the author ascribes to Dr. Ne'emman almost single-handed credit for the bomb, plus the Israeli intelligence service's capability in the computer field, plus various other technical intelligence programs in Israel. The father of nuclear energy in Israel, the late Professor Dr. Ernst David Bergmann, receives no mention, although he was well known to the press during his lifetime.

In keeping with his love of the bizarre and the occult Mr. McCormick concludes the book with a chapter entitled "The Strange World of Psychic Espionage." He states "Already, Israel has many answers to questions which the Western Intelligence Services have failed to solve; often in fields which seem to be in the realm of science fiction. One of these is the strange new world of psychic espionage." Noting that the U.S.S.R. has taken the keenest interest in this subject, he states that the United States is fifty years behind the Soviet Union in its systematic and scientific examination of what can be broadly described as the para-physical. Clearly McCormick has been in touch with some of the Soviet refugees in Israel, such as Avraham Shifrin, who have a great interest in these matters.

The foregoing comments have perhaps been too harsh. McCormick makes only slight pretense of having written a scholarly work. His notes on 300 pages only run to six pages; much of this is bare reference to newspaper articles. The author seems to be a man who will follow a predictable direction once nudged on course, so that he presents few security problems for those who are the subject of his attention. The book is light in style, breezily written, but not to be taken too seriously.

Norman L. Smith

THE WRONG HORSE: THE POLITICS OF INTERVENTION AND THE FAILURE OF AMERICAN DIPLOMACY. By *Laurence Stern* (Times Books, New York, 1977).

United States policy toward Greece has been subjected to much criticism since the overthrow of that country's constitutional government in April, 1967, by the colonel's coup. Opposition to our policy has usually been quite articulate and of an emotional intensity not often lavished on our relations with other nations subjected to authoritarian governments. This is not a new phenomenon where Greece is concerned. John Metaxas, the Greek dictator, was honestly perplexed in 1937 as to why his regime aroused such passionate dislike and concern in western countries (especially Britain) which were so acquiescent about many others of the time, usually more repressive than his.

We have already witnessed two generations of analysis and criticism to date. Looking back, the first generation may be said to cover the period from the coup in Athens to the reinstatement of a constitutional government in 1974. This stage was marked by widespread charges of U.S. complicity in and responsibility for the overthrow of Greek democracy via CIA, and further, by a belief that it was our policy to protect this creature of American intrigue.

The second generation overlapped the first, adding a new twist to accusations of American plotting—this to the effect that the United States masterminded the coup which overthrew President Makarios of Cyprus in 1974, and that we used the Greek junta, again via CIA, to achieve this aim. Thus we were doubly faulted, with CIA pictured in some versions as possibly acting callously on its own, with a resulting geometric increase in U.S. unpopularity in certain circles, particularly in Greece and Cyprus.

Since 1974 we have had inquiries into the U.S. and CIA "connection" with Greek events by such bodies as our own congressional committees and the blue ribbon Greek Committee of Inquiry. In addition, the question was probed during the trial of junta leaders in Athens. The results of all these investigations should by now have convinced responsible opinion of the truth of insistence by the United States that it played no role in the coups of Greece and Cyprus, as a plotter, instigator, or otherwise.

With the appearance of Laurence Stern's *The Wrong Horse* we might say we are looking at a new generation of criticism which retains some elements of the old, toys with and tries to refine previous conspiracy theories of CIA involvement, and extends the criticism to a wider geopolitical meaning and framework.

Stern's book, the product of his year as a senior fellow of the Carnegie Endowment for International Peace, suggests the following thesis: U.S. policy in the Eastern Mediterranean is in shambles due to Cyprus. Cyprus "had become a metaphor for American foreign policy failure under the leadership of Henry Kissinger." Moreover, he says, "it was rooted in the steadily warming embrace during the Nixon years of the military regime that had seized power in Athens on April 21, 1967." By relying on the junta (Stern's "wrong horse") between 1967 and 1974 as the guardian of NATO's interests, this thesis continues, the United States is in large measure responsible for the sorry state of our interests in Greece, Cyprus, and Turkey. This is so because it was the Greek military regime's plotting and attempted coup against Makarios which resulted in the Turkish invasion of Cyprus, with all its consequences. So runs the author's line of argument, which at first glance appears reasonable and plausible. He seems to be saying to us that one cannot argue with failure and with obvious cause and effect, but argue many will.

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They will argue because Stern's version is too facile, too convenient an explanation for complicated events, and out of the lingering feeling that there is a persumptive quality about it, a theory or predetermined position in search of supportive evidence. U.S. policy in Greece between 1967 and 1974 was certainly not faultless, and consequently vulnerable, but on more valid grounds than prime responsibility for the present unhappy situation. Stern assumes a U.S. position of power and influence for the period under discussion which no longer prevailed, and attitudes on social questions which never did exist. What then flow from this are assumptions and judgments which cannot stand up under scrutiny. It is simply an effort to shift the focus of charges of U.S. culpability from proximate to supposedly ultimate causes, as ample investigations have determined that our government is innocent of any complicity in either coup.

In looking for ultimate causes, Stern has forgotten his own admonition on page 80 where, at the start of a new chapter, he gives prominence to this thought of his:

> In the Cyprus tragedy, there were no certifiable heroes, and it is impossible to pinpoint the time at which the original sin was committed.

Nor, one might add, was there the certifiable primary villain. Cyprus has been a Mediterranean Apple of Discord for decades, and as an issue has transcended parties, governments, and regimes in Greece, Turkey, and Cyprus itself. It is not hard to be eclectic and to construct other theories of cause and effect, of deeper reasons for the current bitterness. For example, it can be contended that all of today's troubles flow from the policy of the Papagos government which initiated the postwar drive for *enosis* of Cyprus with Greece, and pursued this policy not only diplomatically but also by covert means, through Grivas and EOKA. The Papagos government, it might be added, was a constitutional government. Or one can choose the Turkish government of 1955, also constitutional, which brought Turkey into the controversy with a vengeance by inspiring the anti-Greek riots in Turkey and started a reversal of 30 years of improvement in Greek-Turkish relations.

Closer in time was the elected Papandreou government of 1964-5. This government could be held responsible for the region's dilemma because of its peremptory refusal to accept a recommended solution which would have forestalled later headaches and would have left the Greeks and Greek Cypriots much better off, considering their present frustrations and losses. There are serious analysts (Stern himself cites one) who blame the Papandreous, especially Andreas, not only for the Greek dictatorship but also for reinflaming and exacerbating the Cyprus issue. Among these was David Howard, the acute observer of Greek and Middle East developments, who wrote in *Greece Without Columns:*

> But the most significant area of conflict, where both national and personal hubris played an incontinent and destructive role, was Cyprus—that final, festering reminder of Greece's Great Idea. Since the Zurich and London agreements of 1959 the Cyprus issue had played little direct part in Greek politics; yet by their repeated criticisms of the agreements as a surrender of national interest to the demands of NATO, both Papandreou's Center Union and the left-wing politicians of EDA had contrived to keep alive the idea that a more "independent" foreign policy could secure for Greece the cherished goal of *enosis*. With Papandreou's election in the autumn of 1963 that particular chicken came home to roost in all its dangerous ambiguity. . . .

Looking farther afield, developments or groups in Cyprus itself can be fingered, showing how different observers pointed to different critical junctures for the

explanation of later events. Thus, a reviewer of another work wrote in the January 1978 issue of *International Affairs:*

> No doubt [the author] is right in believing that the coup [in Cyprus in 1974] was primarily the result of external manipulations but it is not to say that the failure of the Constitution *more than three years before the colonels seized power* in Greece can be blamed to an equal degree on forces outside Greece. [*emphasis added.*]

Cyprus did not become the central and decisive issue for Greece because of any American encouragement or initiative but despite our reservations and proffered advice. Those who believe we were always the omnipotent foreign factor should ponder the contrary phenomenon that at the height of American hegemony in both Greece and Turkey these allies made a critical policy choice and pursued it with little concern for the United States but to win its support. Even in our fire-fighting role until 1974 we used arm-twisting tactics only once, in 1964 against Turkey, and this was more a reflection of presidential style than determination to use full leverage in the future. So the question arises: where do we place blame and at what point in time? On the elected Greek and Turkish governments? On the politicians who became prisoners of the emotions they aroused? And if one is anxious to attach final responsibility to the United States as is Laurence Stern, cannot our failure to prevent the *elected* governments of Greece and Turkey from pursuing the policy they did at the time of our peak leverage be regarded as a prime case for the type of blame which he wishes to establish?

CIA is not the main target of the author's attacks on U. S. policy, and one consequently is spared a repeat of old charges of Agency complicity in the Greek and Cyprus coups as deliberate U. S. Government or exclusively CIA "shadow government" acts. Conspiratorial theories and versions die hard in our times, however, and Stern now serves up a diluted synopsis of possible events where individual CIA officers may have been involved in a bit of intrigue on their own. The candidates he chooses for Greece are a group of Greek-Americans who served in Athens in 1967 whom he dubs the "Greek Mafia." He speculates that middle-level CIA officers of Greek descent may have deliberately stopped reporting to their superiors in 1967 on the colonels' group, or else broke contact with it in order not to give away the coup plan. This suspicion is utterly groundless, and Stern by now must have been convinced by persons he trusts that there was nothing more involved than simple intelligence failure. It was an intelligence failure which hurt CIA's pride but which was also the result of the effective conspiratorial methods of a small, secure cabal. Inasmuch as others with better access to the facts have whispered the canard, Stern cannot be faulted for attributing to the Greek-Americans a monolithic identity of political views. He must be faulted, however, for carrying it farther. These CIA officers of Greek descent were no more agreed on Greek matters than any other group of Americans and were, as a matter of fact, divided on the morality and the consequences of the 1967 coup in Greece for American interests, some of them becoming among the most vociferous critics of the junta's overthrow of Greek democracy.

When it comes to nominating the candidate for supposed skulduggery in Cyprus, Stern uses the old journalistic technique of vague attribution to others—in this case, to "Cyprus opinion." The fact that he repeats such insinuations by weaving them into his narrative of how the United States warned Makarios in 1971 that a plot against him was in the offing cannot but be intended to leave a residue of suspicion that an individual CIA officer might have plotted against the Makarios government. For those who know the full story of the events of that period and of the fascinating and imaginative effort that went into both collection and distribution of information

relating to the 1971 plotting against Makarios, the insinuations against the named officer are both wrong and unfair.

Errors of lesser importance concerning CIA, new and old, needlessly repeated, dot the book as do innuendos. Stern recounts Andreas Papandreou's claim of his meeting with Laughlin Campbell to discuss Greek electoral systems—a meeting which never took place. The United States never passed assurances to the Greeks through CIA that the Turks would not invade if the coup of 1974 in Cyprus was cleanly executed. The implication that if the CIA had "maintained contact" with KYP, there would have been no intelligence failure in 1967 is naive. The KYP leadership itself was caught unaware by the coup and was placed under arrest by the conspirators. These—the men under arrest—were the KYP officers with whom CIA was in liaison; they could hardly have warned us if they were not forewarned themselves. And contrary to Stern's accusation, CIA made every effort to collect intelligence on the Georgadjis assassination and did not refuse "to investigate." The attitude of CIA toward the assassination plot against Makarios in 1971 was truly reflected in the U. S. warning to the Archbishop; it was not the fear of a botched attempt, a motive Stern attributes to an unnamed CIA official. Nor was Makarios the recipient of an annual one million dollars for his confidential funds. Such stories that Makarios was receiving U. S. subsidies led to denials by the United States Government and an apology to him from the President.

The foregoing are meant to be examples, not an exhaustive list of the errors in *The Wrong Horse*. One of the author's admitted problems is that he did not have access to official records and consequently had to rely in the memory and judgments of persons supposedly knowledgeable of the events he recounts. The pitfalls of such reliance are obvious: faulty recall and lack of objectivity on the part of the source which cannot readily be determined by the writer. An otherwise sympathetic review in the *New York Times*, recognizing that some of his sources might be biased, spoke of sources in the book with axes to grind against CIA.

On top of all this are out-and-out errors in plain fact. Peurifoy was not Ambassador to Greece at the time of Papagos' death. Papadopoulos, the junta leader, was never chief of counterintelligence in KYP. He was chief of foreign intelligence, and further, was not in KYP at the time of the military takeover as implied. Ellis Briggs did not "denounce" the Papandreous "during the 1961 elections;" he sent a Christmas message to the American colony *after* the election which the Papandreous interpreted as refuting their claim of electoral fraud. Our Armed Forces Radio in Athens always scrupulously avoided comment on Greek events under all governments as a general policy, not, as we are led to believe, "in a supreme gesture of neutrality" on the day of the colonels' seizure of power. General Grivas did not succumb to the "great powers" in 1959 but to the Greek Government and Makarios, for this wiry romantic gave about as much weight to the feelings of the great powers as he did to the odds against him when he went to Cyprus to begin his covert war.

Better to understand the thrust of this book, one must look for the author's political filter which determines many of his perceptions, judgments, and choice of expressions. One of the most revealing clues is in the epilogue, when he accuses the United States of supporting the *status quo* abroad and then adds:

> Kissinger's denunciations of the European Communist parties were strikingly reminiscent of the attacks by Metternich and Castlereagh, those two great practitioners of early nineteenth century "cabinet diplomacy," on the comparable European movements of their era.

To make the ruthlessly authoritarian Communist parties and regimes "comparable" to the 19th century parties and movements striving to establish national, liberal, and

elected political authorities does violence to fact and history. Such a perspective must be the explanation, not only for Stern's dislike of American policy in Greece, but also of the undercurrent of dislike the reader senses for NATO, and for his insensitivity to the depredations of the Communists in Greece for seven years. One cannot treat this important trauma and determinant of Greek events, beginning as far back as 1942, so cavalierly or dismiss the Greek experience with Communism with the observations he makes. Neither will those familiar with modern Greek history remain silent when conversely he pictures the Communist insurgents simply as "the core of war resistance" if Stern intends by this to explain all, justify all, the Communists did in Greece.

Stern's perceptions may also explain why certain facts and events get short shrift or no mention whatsoever, e.g., the fact that Andreas Papandreou and his father George did not see eye to eye ideologically or geopolitically, and that the son was the despair of his father; or the effect of Andreas' social and economic policies on the always-precarious Greek economy while he was in power. Stern never explains that the Greek junta turned against Makarios only after the attempted assassination of Papadopoulos in 1968, which on the basis of certain evidence was perceived by the junta as hatched in Cyprus. For an author so concerned to draw straight-line connections between important events, this omission is hard to comprehend. He also might have elaborated more on the coup atmosphere in Athens prior to April 1967 by pointing out that ultimately it was the reluctance of many of the very senior officers to countenance a generals' coup that brought on the move by the colonels. Similarly, we have a better understanding for Stern's choice of expressions and adjectives, e.g., when Aspida is the "alleged military conspiracy" while King Paul is the unqualified "important client of the American CIA."

All this said, the work is by no means to be dismissed as of no value; certainly the last third of the book alone redeems it to a certain extent. This portion, on events after the Cyprus coup which led to Turkey's invasion, deserves attention and tentatively good marks; "tentatively" because there are many facets connected with important developments which have not been fully aired to date and where there is still obscurity on others. Kissinger's moves from the moment of Makarios' overthrow and his singleton performances were not among his finest moments, and there are those who will contend that after economics, he understood Cyprus least of all the issues he dealt with. "Tentative" again because it can be argued that in contrast to 1964 and 1967, when U. S. diplomatic intervention prevented Turkish invasions of Cyprus, our power and influence had so eroded that they were not of critical importance to the parties involved, whatever our desires. That may be, but there are enough indices and known facts to support a number of Stern's observations and criticism of this stage of U. S. policy until evidence to the contrary is forthcoming. And full credit must be given him for scooping up some very good behind-the-scenes information along with the bad. The issues and events he discusses in this book, however, are so complex and so charged with emotion that they require much more treatment than that of a competent journalist whose political compass often leads him astray.

George Constantinides

SECRET INTELLIGENCE IN THE TWENTIETH CENTURY. By *Constantine Fitzgibbon.* **(Stein and Day, New York, 1977)**

The author, in his introduction, gives thanks to Mrs. Robina Quigley for typing and re-typing "an excessively difficult manuscript." He does not make clear, however, whether it was difficult for her to type, or difficult for him to write. Whichever the case, the book, though not without merit, proved "excessively difficult" for this reviewer to read and understand.

The fault appears to be not so much Fitzgibbon as an author, but the ambitious scope of the work and the meager materials on which he based it. Fitzgibbon—a U. S. citizen of Irish descent and English education—has authored 27 books of fiction and nonfiction (including histories and biographies) and translated from German L. C. Moyzisch's *Operation Cicero*—the story of the Albanian valet who allegedly stole secrets from his employer, the British Ambassador in Ankara in World War II. Fitzgibbon's newest book proves he can write with knowledge, conviction, fire, and style.

What Fitzgibbon has attempted, however, is something ambitiously new in intelligence literature, at least new to this reviewer. He has authored not a collection of spy stories, not a history of one nation's intelligence service, and not a description of intelligence decked out with examples, but rather a comparative and evaluative account in only 335 pages of the performance of the intelligence services of six Great Powers in the context of the major wars and confrontations of the twentieth century. Put another way, he has written another history of the century but from the point of view of intelligence and allied activities. This last he has done, however, on the basis of nothing more than published materials, his own World War II intelligence experience, and a handful of interviews.

His history, a mournful view of the suicidal character of European and Western life, has two major strands running through it. Of these the longer is simply time, the years from 1894—the Dreyfus case and the triumph of German over French intelligence—down to the present and, as Fitzgibbon sees it, the Soviet effort to destroy the CIA. This strand provides him with opportunity to give what is really an elementary account of the nature, variety, and development of both open and secret intelligence. It also gives him an opening to compare and contrast the activity of the past 80 years of the secret services (espionage, counter-espionage, propaganda, and subversion) of France, Germany, Great Britain, Czarist and Soviet Russia, Japan, and the United States. It is a strand on which, as is noted below, he hangs many of the familiar, and some not so familiar, intelligence stories of the century. The hanging is not always straight, the coverage is patently and understandably uneven, and while the evaluation of so much activity leaves the reader often happily chewing stimulating bits and pieces of history, it also leaves him hungering for some substantial findings and generalizations that make sense of it all.

The other strand is ideology. It dates from 1917, when the rise of Communism made ideology the hallmark of much modern conflict. Yet for Fitzgibbon it has a connection with 1894 and Dreyfus, because he sees the same hatefulness for French society that motivated the real spy in that case, Major Esterhazy, as part and parcel of the hatefulness that has prompted some American and Britons to betray their society to the Soviets. For Fitzgibbon, we are already in World War III, of which the Cold War has been but a campaign. This third war he sees essentially as an intelligence war whose major weapons are technological espionage, secret political infiltration, and propaganda. As for CIA, he hopes that what the Soviets "are so skillfully demolishing is in effect a paper tiger, and even more that the real tiger is burning, not too brightly,

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in the jungles of the night." (p. 335) While the World War II portion of this strand is well handled, the post-1946 period—compressed into one ninth of the book—is too summarily wrapped up to be new and instructive.

Strung along, but not always clearly integrated with, these strands are the gemlike stories of such familiar and unfamiliar names as: Major Henry, whose forgery convicted Dreyfus; George Gapon, the Russian priest-labor leader-police spy who led the workers against the Winter Palace; Alexander Helphand financing Lenin's rise to power; Dr. Wilhelm Stieber, founder in 1866 of Germany's Central Intelligence Bureau (the first such-named organization in history?); the super legendary Admiral "Blinker" Hall and his Zimmerman telegram; the pathetic young Alexander Szek, who copied out the German code book for the British and then disappeared forever; Pinkus Urwicz bringing, in his horse-drawn cart, a Russian mobilization poster to his German master; Herbert Yardley's brilliant (as recounted by Fitzgibbon) prevision of the Enigma machine; "Cicero," who Fitzgibbon thinks was a British double agent; "the Lucy Ring," which he considers a British mechanism for feeding ULTRA to the Russians without revealing the source; and the Gouzenko story and the Soviets' "ban the bomb" campaign.

In tieing these stories together with the strands outlined, Fitzgibbon has sought to delineate the principles, structures, *modi operandi*, technologies, and activities of the major contemporary services. If the result has been less than completely happy—that is, a manuscript "excessively difficult" to write, type, or read—it has at least been a pioneering effort in what must come some day, namely, a sociology of intelligence.

Thomas F. Troy

SILENT MISSIONS. By *Vernon A. Walters* (Doubleday & Co., Inc., Garden City, N.Y., 1978).

General Walters has packed a fascinating life into the 35 years from the time he quit as an insurance adjuster and joined the army in May 1941, to his retirement from CIA and the Army in July 1976; he has packed an equally fascinating account of that life into the 630 pages of *Silent Missions*.

Although his career was almost entirely devoted to military intelligence, this is not a book on the theory and practice of intelligence; it does not "tell all" about the CIA; it will disappoint the readers who comb it for "now-it-can-be-told" secrets. Instead, the book is vintage Walters as those who worked or crossed trails with the man knew him: Walters the raconteur, Walters the observer, Walters the patriot.

Silent Missions is an anecdotal account of history as Walters saw it being made from his post at the elbow of American presidents, diplomats, and generals, as an unrivalled translator with a virtual play-back memory when it came to writing memoranda of those conversations. He is fluent in at least French, Spanish, Italian, German, Portuguese, and Russian, and has been known to translate in a pinch from Dutch; the book suggests some proficiency in a number of other languages. He served Truman, Eisenhower, Johnson, Nixon, and Ford. He dealt with De Gaulle, Khrushchev, the Pope, Franco, Eva Peron, King Baudouin, Mossadegh, Tito, Pompidou, and chiefs of state of such nations as Morocco, Portugal, Italy, Brazil, Colombia, Mexico, and Argentina. While serving as military attaché in Paris, he skillfully nudged open the door for secret negotiations with the North Vietnamese and the Chinese Communists, then smuggled Henry Kissinger in and out of Paris repeatedly with barely a handful in France or in the United States aware of the trips.

One of the author's major tasks, in fact, has been to try to organize the anecdotes of a lifetime into the shape of a book. This he has done by starting biographically, then shifting to separate chapters on the principals he has served, the principals they have talked to, and Walters' own assignments and missions. As a result, the book is frequently repetitive, with a De Gaulle/Nixon talk likely to show up in the chapter on travels with Nixon, the chapter on talks with De Gaulle, and the chapter on assignment in Paris. So would this be the first time a man has repeated himself in spinning the tales of his experiences? A 24-page index enables the reader to check back and assure himself that the facts are the same in each chapter. Take the book a chapter at a time, and the repetition becomes welcome to refresh the reader's recall.

General Walters has larded *Silent Missions* with penetrating analyses of some of the main characters in his account. As those who know him would expect, his own convictions also come through well articulated and frankly stated, to the joy of those who agree with him on such topics as the New Left, the purposes of the Vietnam War, the need for intelligence, and the dignity of serving one's government and one's country:

> The strength of a nation depends as much on its will, sense of direction, and common purpose as it does on material power. . . . We must guard against the efforts of some to make us feel so guilty that we will be unwilling to defend our freedoms and those of our allies. . . . It is vital that we remember that what must be preserved is not just the physical integrity of our nation, but also those values that have made us what we are. With all our shortcomings we have still produced the most equitable society that man has created since he came out of the caves.

Clinton B. Conger

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THE SHAMROCK AND THE SWASTIKA: GERMAN ESPIONAGE IN IRELAND IN WORLD WAR II. By *Carolle J. Carter* (Pacific Books, Palo Alto, Calif., 1977.)

On the eve of World War II, King George VI of Great Britain and his Queen came to the United States for—among other things—hot dogs with Franklin and Eleanor at Hyde Park.

A few days before that event, it transpired that at the same time that the King and Queen were expected in Windsor, Ontario, Sean Russell, Chief of Staff of the Irish Republican Army, popped up across the river in Detroit. Federal authorities, recognizing the uneasiness of British security people, found some technical problem with Russell's visa which sufficed to throw him in the pokey for 72 hours until the royal couple had moved on a safe distance.

I recall a 6:30 a.m. park bench interview with Joseph McGarrity, head of the Clann na Gael, an Irish-American from Philadelphia who was escorting Russell around the United States. McGarrity naturally tried to ignite a media indignation campaign to spring his principal from Federal custody. Either from him or from somebody else I talked to on the story, I learned of an "old Irish prophecy" that when St. Patrick's Day and Palm Sunday fall on the same day, the streets of Ireland will run red with blood until Ireland is totally free.

I don't know how old the prophecy was supposed to be—after all, the juxtaposition of full moon and vernal equinox which determines Easter will bring Palm Sunday and March 17 together with some regularity—but I suspect the prophecy sprang to life when somebody in the IRA noted that Palm Sunday was to fall on March 17 in 1940. The clear inference was that Sean Russell was in the United States asking the American Hibernians for a war chest to make the prophecy come true.

All this by way of introduction to what is probably the definitive book on German intelligence operations in Ireland, *The Shamrock and the Swastika*. As war came, grew, and ended, I had heard various accounts of what happened to Sean Russell—that he had parachuted back into Ireland, that he had been tried for treason by the IRA and dumped in the Bay of Biscay, that he was in Berlin. The facts must have been available once the German records were open for inspection, but it wasn't until I read the book that I learned he had died of a burst gastric ulcer in August 1940 in a German submarine en route to land him in Ireland. This aborted what would probably have been the high point of German intelligence operations on Ireland.

For, as one reads *The Shamrock and the Swastika*, it is hard to believe that those operations were not being run by some German Inspector Clouseau played by Peter Sellers. Repeated efforts were made, by air and by sea, to infiltrate German agents of various nationalities; the most successful was successful only in that he remained at liberty from May 1940 to November 1941. His radio failed. He was unable to gain the confidence of the IRA leaders. He was an embarrassment to Eduard Hempel, the German Minister in Dublin who was as much Chief of Station as Chief of Legation. He spent most of his 18 months asking for more money, more communications, and a boat home.

Mrs. Carter makes voluminous use of German Foreign Office files, primarily Hempel's traffic, even for such accounts as the IRA's 1939 and 1940 bombings in England, and the subsequent British court action against the perpetrators, which must have been recorded elsewhere in addition to Hempel's dispatches. Her exhaustive undiscriminating, and largely unannotated use of Hempel's reports to Berlin produces

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a great deal of pointless chaff, and tells the reader far more about Hempel's press monitoring and his legitimate diplomatic undertakings than about intelligence, which in our sense of the word doesn't show up until Chapter 7.

Almost without exception, the missions assigned to the would-be German agents were limited to reporting on the weather and on movements of Allied convoys and, in some cases, inciting the IRA to action. The latter attempts by and large came to naught; the IRA carried on its desultory harassment with or without incitement, and—without Sean Russell—the IRA leadership was too fragmented and too paranoid to work with or trust the Germans. The IRA, Mrs. Carter notes, "chiefly desired assurances that when Hitler occupied Great Britain and Ireland, the government would be placed in their hands."

The Germans, on the other hand, were more concerned about the British occupying Ireland. In 1940 and 1941, Legation Counsellor Henning Thomsen talked with active and retired Irish generals (Hugo MacNeill and Eoin O'Duffy) about the possibility that against the contingency of a British invasion, Germany might supply arms to the Free State, which was having problems purchasing materiel. The Irish, however, were not seriously concerned about a British invasion, and the Germans had little capability of supplying any substantial amount of weapons, so these talks went little farther than did General O'Duffy's proposal to raise an Irish Division to fight alongside the Germans on the Russian front.

Mrs. Carter, possibly without realizing it, does offer a couple of nuggets in the communications intelligence field. She notes that the British and the Irish Secret Service, searching for an IRA transmitter in County Wicklow, instead pinpointed the sender operating from the German Legation in Dublin, and the Irish began monitoring it 24 hours a day. In 1941,

> Hempel temporarily stopped using his set except for messages of utmost importance, because [Irish Secretary of the Department of External Affairs Joseph] Walshe had told him in a careful, friendly way that the British had provided the Irish government with details about it, including a timetable of his transmissions.

The Irish, possibly dubious that within their neutrality they could force Hempel to shut down his transmissions, may have been trying to frighten him into doing so. In any event, also in 1941, Prime Minister Eamon De Valera

> told Hempel that the English probably knew the German code. He did not add that they shared this knowledge, but not the contents of messages intercepted from the Dublin Legation, with Irish Intelligence. Hempel relayed this information to Berlin. . . . Canaris ordered all transmission sharply cut down. . . .
>
> Later, [in January 1944], when the Allies were firming their plans for an invasion of Europe and anxious to keep them secret, they induced the Irish government to remove Hempel's set from the Legation.

The flavor of *The Shamrock and the Swastika* is perhaps best epitomized by this account of three major German insertion attempts.

Two South African Germans and an Indian landed from a yacht in Baltimore Bay in July 1940 and went hiking down the road in the rain, obvious foreigners. (The Indian was wearing a bright silk Indian suit and a straw hat.)

Gunther Schutz parachuted near Wexford in March 1941, and again went hiking down the road with his suitcase. He addressed two local police officers as "Sir."

Walter Simon landed from a U-Boat in Dingle Bay on June 12, 1940, walked to the Dingle rail station, and asked when the next train was due. There hadn't been one for 14 years.

None of them lasted 24 hours.

Clinton B. Conger

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